Daily Report

Latin America

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Cuba

President Bush Continues 'Policy of Aggression'

FL2205233489 Havana Radio Rebelde Network in Spanish 2304 GMT 22 May 89

[Text] U.S. President George Bush today gave his tacit support for what he called the Cuban-U.S. community during a meeting marking 20 May [date as heard], the day the first Cuban president, Tomas Estrada Palma, was inaugurated. Continuing his policy of aggression against Cuba, which was designed by his predecessor, Ronald Reagan, President Bush joined his voice with those of the staunchest enemies of the Revolution to propose what he called a plebiscite in Cuba in the style he considers to be totally democratic. I will never hesitate in supporting that objective, the U.S. President said.

Political analysts had expected a more pragmatic attitude from Bush toward this Caribbean Island.

A few months ago, friends, so-called intellectuals, including the alleged poet Armando Valladares, signed a similar demand as part of campaign to discredit our country.

Bush, whose aggressive attitude toward Nicaragua and Panama has been made the center of analysis by followers of Yankee foreign policy, has presented his position against Cuba for the first time in public as President.

Last 30 April, the Cuban people went to the polls to elect the national parliament. Voter turnout in that election was 98.3 percent. This high figure reflects a true popular opinion in the first free territory in America.

Noriega on OAS Commission's Visit to Panama

FL2305012689 Havana Television Service in Spanish 0000 GMT 23 May 89

[Text] In Panama City, our comrade, Nelson Notario Castro, this afternoon interviewed General Manuel Antonio Noriega, chief of the Panamanian Defense Forces. Notario Castro, our special correspondent, transmitted a version of this conversation to us via telephone.

[Begin Notario Castro recording] The national leader and chief of the Panamanian Defense Forces, Gen Manuel Antonio Noriega, said this afternoon that Latin America has not yet assessed the damage caused by the OAS resolution on Panama. He said he hoped that the OAS commission, which will arrive in the next few hours, will have the time and interest to listen to and observe the elements of U.S. aggression against the isthmian island.

The Panamanian leader said that his country's cause is not the cause of a single man. It is the cause of an entire people. He stressed that the pressure the United States exerted in the OAS against Latin American countries to get their approval on an operative paragraph that (?interferes) in the internal affairs of Panama is a fatal precedent and will generate its own consequences.

Noriega also said that the United States, in uncontainable shortsightedness and arrogance, is closing all the roads to detente with Panama and that the damage caused to this nation by the Yankee economic aggression is immeasurable. [end recording]

Group Condemns U.S. 'Intervention' in Panama

FL2205213489 Havana Radio Reloj Network in Spanish 1916 GMT 22 May 89

[Text] The Permanent Congress for Latin American Workers Trade Union Unity, CPUSTAL, has issued a declaration in Havana condemning the interventionist and aggressive policy of the U.S. Government against Panama.

The note denounces the deployment of 2,000 U.S. Infantry, Marine, and Rapid Deployment troops that will be added to the 10,000 men in U.S. bases in the canal under the pretext of protecting the lives of U.S. citizens. This is clear proof of the Yankee's interventionist policy, its strategy of dominion over the canal, and the mockery it makes of the Torrijos-Carter agreements, the document says. The CPUSTAL statement also calls for the strongest condemnation and rejection of the Yankee imperialists' criminal intentions against the isthmian island to be immediately reflected in all the media.

U.S. Network Offers $9 Million To Cover Games

FL2205182989 Havana Radio Rebelde Network in Spanish 1700 GMT 22 May 89

[Station commentary]

[Text] A dispatch distributed by the U.S. news agency AP, dated 17 May—New York, contained an unusual report. It stated that the ABC television network was willing to pay $9 million for the television rights to cover the Pan-American Games in Havana. However, the report stated that for the operation to become a reality, the U.S. Government first had to be persuaded to approve this.

ABC made an offer that was three times greater than what CBS paid to televise the 1987 Pan-American Games. ABC did this because the Havana Pan-American Games have awakened an excitement which would be difficult to match anywhere else in the continent. They have also done this because games here awaken an interest to appreciate the nuances which always surround purely athletic events.

For its part, Cuba said it was in favor of commercializing television rights, not out of financial interst, but to recuperate for the nation what it had invested in the event. In any case, the state authorities believe that the

facilities built for the Pan-American Games, including the Olympic Villa, will later be enjoyed by the population. Under any circumstances, those facilities were going to be built.

Now, and of course this does not surprise the Cubans, the United States has started to prepare its latest dirty ploy against Cuba. The State Department has begun to place obstacles to stop the world from viewing the games on television. This denouncement was just made by the Dominican (Jose Joaquin Puello), president of the Central American and Caribbean Sports Organization. (Puello) declared the action as antiathletic and an imposing of politics on sports. For the official, if the next continental games are not televised, it will be a strong blow against sports.

This is the project the United States is forging for the Pan-American Games and, from a long experience with this type of thing, we do not believe it will be the only ploy, nor the last one. Evidently, the entire sports world will have to take part in the affair. This affair has nothing to do with Cuba, something that is already well known; it has to do with establishing a policy which, above all, is an assassination attempt against continental sports.

Soviet Tanker Unloads Oil Shipment in Matanzas

FL2205170189 Havana Tele-Rebelde Network in Spanish 1700 GMT 20 May 89

[Text] At the deep-water docks of the Matanzas supertanker base, the unloading of the Soviet ship (Kukhua) has been successfully carried out. The ship brought some 150,000 metric tons of oil to our country. This giant, which is 295 meters long and 45 meters wide, is the first ship to dock at the Matanzas base after its official inauguration.

The fuel was transferred from (Kukhua's) holds to three smaller Soviet ships which then were responsible for transferring the oil to Havana and Santiago de Cuba.

The deep-water docks of the supertanker base have the most modern technology that exists for this type of installation. All the systems and equipment have been tested under conditions which exceed those required for this type of job. Also, the personnel has the required qualifications and capacity.

Nevertheless, additional safety measures have been taken.

[Unidentified speaker] The fundamental job of the floating barrier is to surround, actually confine, spilled oil. Our installation has facilities to pick up this oil. We have a piece of equipment [patana recolectora] to clean up the spills. This particular equipment was brought over from Havana Harbor. We also have a bay cleaning ship which was brought over from Havana. Finally, there is a surface collector to deal with this type of situation. In other words, we have the means to clean up any spill.

[Reporter] Are they enough to deal with it?

[Speaker] These measures are the essentials. At present, we are finishing a contract with an Italian firm which will give us more complex and sophisticated measures to clean up a spill. This will guarantee, to an optimum level, the cleanup of any oil spill in the bay.

SRV Delegation Visits Friendship Association

FL2205154189 Havana Tele-Rebelde Network in Spanish 1700 GMT 22 May 89

[Text] A friendly and fraternal meeting has been held between the legendary hero of the Socialist Republic of Vietnam, Vo Nguyen Giap, and representatives of the ICAP [Cuban Institute of Friendship With People's] and Cuban-Vietnamese Friendship Association. The meeting took place at ICAP headquarters.

Rene Rodriguez Cruz, member of the Communist Party of Cuba [PCC] Central Committee and president of ICAP, welcomed the Vietnamese leader and his accompanying delegation. The meeting was held in a cordial atmosphere of mutual understanding, which is characteristic of the bilateral relations between the two socialist nations. This meeting coincided with the anniversary of Ho Chi Minh's 99th birthday.

On behalf of his delegation and his people, the distinguished visitor thanked everyone for the welcome he was given. Vo Nguyen Giap expressed his satisfaction at being in Cuba once again.

The delegation he is heading participated in the signing of four cooperation protocols in the economic and scientific-technical fields during the 11th meeting of the Cuba-Vietnam intergovernmental meeting.

SED Politburo Member Tours Isle of Youth

FL2305021989 Havana Television Service in Spanish 0000 GMT 23 May 89

[Report by journalist Odalys Delgado]

[Text] Erich Mueckenberger, member of the Politburo of the Socialist Unity Party of Germany [SED] and chairman of the Central Party Control Commission of the SED Central Committee, this morning visited the Isle of Youth. He was accompanied by Juan Almeida Bosque, member of the Politburo of the Communist Party of Cuba [PCC].

During their stay in Cuba, Mueckenberger and his delegation toured the old Presido Modelo, now a national monument, where they received a briefing on the imprisonment of Fidel and the other survivors of the assault on the Moncada Barracks.

Afterwards, the GDR delegation visited the Third PCC Congress crockery factory, a product of the cooperation between Cuba and the GDR. The delegation was able to

observe the factory's current production, which exceeds 1,000 tons, and they learned of the factory's future projections for manufacturing export products.

Castro Visits Blas Roca Contingent in Havana

FL2205144189 Havana Tele-Rebelde Network in Spanish 1700 GMT 20 May 89

[Text] Commander in Chief Fidel Castro praised the perseverance and discipline of the Blas Roca Contingent, part of which is working on the construction of the Hotel Florida on Havana's Paseo and Third Streets.

While visiting that contingent, Castro was interested in the foundation laying technique known as (Balsa) type. The foundation will have 4,500 cubic meters of concrete and 415 tons of steel. The engineer in charge of the project, Alexis Lesa, gave Castro an explanation of the characteristics of the hotel's foundation and how it was developed. The contingent hopes to finish the foundation by 26 July.

While talking with the workers, Castro spoke about the dimensions of the hotel which will have 22 floors with 459 rooms of 5-star quality. The leader of the Cuban Revolution talked about the living conditions and food the workers have.

Finally, the commander in chief reminded them of the need to build a high-quality and lasting product. He promised to visit them again.

Over $300,000 Paid for Not Unloading Cargo

FL2305025389 Havana Television Service in Spanish 0000 GMT 23 May 89

[Text] The nation has paid more than $300,000—or [word indistinct] rubles—for container ships that arrive with merchandise and exceed their time for unloading. The National Port Expediting Enterprise has not yet been able to recover this loss.

This enterprise has the responsibility for rotating about 900 containers a day that arrive with cargo. They should be unloaded within a 30-day period. If the containers are not unloaded promptly, then payment must be made for detaining the container beyond the time allowed for unloading. The country currently spends $2,250 a day on demurrage.

[Begin video clip] [Video shows a chart on the screen while dramatic music is played in the background.] Enterprises that are critical in unloading containers are:

Rayonitro de Matanzas, 31 containers, to pay for a 120-day demurrage;
Varadero Airport, 22 containers, to pay for a 40-day demurrage;
Cubanacan Corporation, 19 containers, to pay for a 44-day demurrage;
UNECA FAR, 18 containers, to pay for a 44-day demurrage;
CAI Panama, 18 containers, to pay for a 100-day demurrage;
FCA, Pienso Las Tunas, 15 containers, to pay for a 59-day demurrage. [end video clip]

[Words indistinct] warehouse to return these containers that are primarily used in their return to transport merchandise to other enterprises or for export. Other enterprises request these containers for specific cargo and then do not rotate them, as is the case with the Santa Clara [name indistinct].

Group Not Optimistic About Sugar Industry

FL2205135289 Havana Radio Progreso Network in Spanish 1100 GMT 22 May 89

[Text] Despite the improvement of international prices for sugar in the last 5 years, the future situation is not one for great optimism. This warning has just been made by the Group of Latin American and Caribbean Sugar Exporting Countries known as GEPLACEA.

The group says that even if the situation continues being favorable for a short period of time, the prices are still not higher than the production costs of many producing countries. GEPLACEA says that in the long range, a number of negative structural factors will still occur. In particular, it refers to the continuation of protectionist policies of developed countries and the lack of an effective regulatory mechanism in the international market.

Radio Reloj Director Dies in Havana on 22 May

FL2205204889 Havana Radio Reloj Network in Spanish 1913 GMT 22 May 89

[Text] Comrade Fausto Suarez Torres, director of the national Radio Reloj network, died this morning in Havana. The death of this beloved comrade, who had an outstanding career in journalism, has caused great concern among all radio and television workers. His body may be viewed at the funeral home located at Calzada and K Streets where the funeral procession will begin tomorrow, Tuesday [23 May], at 0855.

Barbados

Guyanese President Begins Bilateral Talks

FL2205193089 Bridgetown CANA in English 1612 GMT 22 May 89

[By Mark Lee]

[Excerpts] Bridgetown, Barbados, May 22, CANA—Top-level delegations headed by Guyana's President Desmond Hoyte and Barbados Prime Minister Erskine Sandiford, began bilateral talks here Monday on trade and technical cooperation among other matters.

Without going into detail, Sandiford and Hoyte both said the discussions would include the strengthening of trade, cooperation in agriculture—particularly fishing—culture, and the deepening of the regional integration movement.

Observers believe the Guyana delegation headed by Hoyte, who is on the third day of a five-day official visit, will be seeking technical assistance especially in finance and trade matters, as Guyana attempts to revive its flagging economy.

Among the possibilities for cooperation in the area is the expansion of a facility through which the Barbados Central Bank makes international purchases of raw material on behalf of the Guyana Central Bank, to cover private sector deals. Barbados Central Bank Governor Dr Kurleigh King, who was involved in Monday's talks, said such an arrangement could be pursued.

"Anything along those lines would be acceptable to us," King told CANA before the closed-door sessions began at Illaro Court, the prime minister's official residence. "But it depends on what the Guyanese think about the idea," he added. [passage omitted]

The Barbadian team at Monday's talks included Deputy Prime Minister and Minister of International Transport and Telecommunications Phillip Greaves; Minister of Trade and Industry Evelyn Greaves; Foreign Minister Maurice King; Central Bank Governor and High Commissioner to Guyana Frank Dasilva.

The team headed by Hoyte included Minister of Trade and Tourism Winston Murray and High Commissioner to Barbados and Permanent Secretary in the Ministry of Foreign Affairs Noel Sinclair.

Bermuda

Government's Annual Budget Slows Inflation

FL2205173889 Bridgetown CANA in English 1306 GMT 20 May 89

[Text] Hamilton, Bermuda, May 20, CANA—A tax holiday in the Bermuda Government budget announced three months ago helped slow annual inflation to 5.7 per cent in March, compared with 5.9 per cent in February.

The annual budget normally includes automatic rises in motoring, drink, and tobacco taxes in line with inflation but new Finance Minister David Saul held tax levels steady this year in order to put a break on domestic inflation. His policy has obviously worked in the short-term with March's monthly inflation rate coming out at 0.3 per cent, against 0.5 per cent a year before. However, inflation is still rising generally and remains the economy's number two worry after falling tourist visitors numbers.

Inflation in the goods sector is running at 6.0 per cent for the year to March, up on the 5.4 per cent figure for the 12 months to December 1988. And goods prices are expected to shoot up in April and May, mainly thanks to the four-week go-slow at Hamilton docks, which virtually stopped the import of goods into the island at one point.

The cost of services, a domestically-generated part of the inflation index, also rose more rapidly in March than three months before, 5.5 per cent against 5.2 per cent. Gasoline prices have also risen twice in the past month for a total of more than seven U.S. cents a litre, petrol now costs 98.2 U.S. cents a litre at the pumps, a rise of nearly eight per cent in four weeks. Shell and Esso, the island's two petrol companies, blame the rises on higher world oil prices caused by the Exxon disaster in Alaska and accidents on rigs in the North Sea.

Dominica

1988 Economic Growth Statistics Reported

FL2205174789 Bridgetown CANA in English 1554 GMT 20 May 89

[Text] Roseau, Dominica, May 20, CANA—Dominca's economy in 1988 did even better than the government had at first expected. "Economic growth reached 5.6 per cent in 1988, exceeding earlier projection," the Caribbean Development Bank [CDB] reported. In its 1988 annual report on the performance of member countries, the bank said that compared with real growth of 4 per cent per annum targeted at the beginning of the Structual Adjustment Programme (SAP) in mid-1986, the economy has been growing in excess of 6 per cent per annum.

"Growth in 1988 was propelled not by the banana industry as in previous years, but by the construction sector whose contribution to GDP (Gross Domestic Product) rose to 5.4 per cent (5.1 per cent in 1987)," the CDB said. "There was heightened activity in residential and commercial construction together with ongoing activities by the public sector, for example, in road construction and completion of the terminal building at Canefield airport." The boom in construction which was particularly strong in Roseau was reflected primarily in the steep increase in the number of construction starts from 138 valued at 6.1 million U.S. dollars in 1987 to 220 valued at 12.3 million U.S. dollars in 1988.

Banana production rose to 70,357 tonnes in 1988 from 63,874 tonnes in 1987 despite the damage done by leaf spot disease in late 1987 and early 1988. Total earnings rose to 36.9 million U.S. dollars in 1988 (31.9 million U.S. dollars in 1987) because of the relative strength of sterling against the dollar. In its effort to ensure that exports are of a consistently high quality, the Dominica Banana Marketing Corporation introduced a new rating system to improve fruit quality and considered imposing penalties on farmers who consistently submit poor quality fruit.

Visitor arrivals by air rose by 16 per cent to 32,445 in 1988. Cruise ship arrivals, on the other hand, fell from 12,080 in 1987 to 4,294 in 1988 after one cruise liner stopped calling at Dominica. "Intense promotion of reunion 1988, a year of activities to celebrate Dominica's tenth anniversary of independence, proved highly successful in attracting visitors as well as Dominicans residing overseas to the island through 1988," the CDB said. In addition to increased promotion targeted at special interest groups, the strong growth in visitor arrivals during the past two years has been linked to an expansion in room capacity.

Activity in the manufacturing sector continued to be sluggish in 1988. Sales of coconut products increased by about 17 per cent largely as a result of intensified marketing efforts. "At the same time, however, the industry's operation was adversely affected by sharp increases in the price of raw materials and the need to reduce the export price in major markets in order to remain competitive," the bank noted. Apart from the recommencement of the mineral water bottling operations in late 1988, there were few reports of heightened activity in manufacturing which continued to reflect the impact of economic downturn in the larger Caribbean Community (Caricom) economies.

Toward the end of the year, the Industrial Development Corporation and the Tourist Board were merged to form the National Development Corporation in another move by the government to stimulate investment in the manufacturing and tourism sectors.

Few major fiscal measures were introduced in 1988. Expectations of a modest improvement in public finances to follow the implementation of a major tax reform programme in 1987/88 proved to be conservative. Central government recorded a current account surplus of 4.3 million U.S. dollars in 1987/88 compared with 2.9 million U.S. dollars in 1986/87.

"The highly satisfactory performance of central government finances was consistent with the high level of economic activity and particularly with the increase in import duties collection which accompanied the boom in construction activity," the CDB reported. It said the government continued to exercise considerable restraint on expenditures and generally succeeded in maintaining recurrent expenditures within the approved budget.

The relatively large current account surplus facilitated an increase in central government's counterpart contribution to the public sector investment programme. Nevertheless, the bank said, capital expenditure lagged behind programmed levels for the second consecutive year largely because of delays in implementation for such major projects and that for bulk water export.

Despite signs of an increase in consumption and import levels during 1988, the level of prices, as measured by the Consumer Price Index, increased only moderately. Price increases averaged 1.7 per cent in 1988, compared with 5.3 per cent in 1987, to a large extent a reflection of the low levels of inflation in major industrialised countries from which Dominica imports. Domestic price increases were relatively sharp for food and utilities, the latter following a 15 per cent increase in electricity tariff during the first half of the year.

Data for the first half of 1988 show a worsening in Dominica's trade deficit. All major exports recorded increases in both export volume and value. An estimated 20,229 tonnes of bananas valued at 11.6 million U.S. dollars were exported in the first six months of 1988. During the comparative period of 1987, 16,559 tonnes valued at 9 million U.S. dollars were exported. The value of soap exports increased to 2.6 million dollars in 1988 from 2.3 million dollars in 1987. The deterioration in the trade balance was therefore largely influenced by the sharp increase in import levels from an estimated 33 million dollars in 1987 to an estimated 40 million dollars.

Loans and advances by the commercial banks increased moderatley during the first three quarters of 1988. The level of credit to the government declined by 2 million dollars to 4.2 million dollars as government diligently pursued its policy of restricting borrowing from the domestic system. Lending to the private sector, particulary for housing construction, expansion and repair, was encouraging. Initiatives by the commerical banks to reduce lending rates, and government measures to inject resources into the development bank specifically for mortgage financing and to exempt from taxes resources mobilised for mortgage lending were in response to the persistent high level of liquidity in the banking system.

The growth momentum of the past few years is expected to be sustained in 1989 as Dominica concludes the three-year Structural Adjustment Programme (SAP) financed by the International Monetary Fund (IMF), International Development Association (IDA), the U.S. Agency for International Development, and CDB, the bank said.

Construction is expected once again to dominate economic activity, with a relatively high level of residential construction resulting from recent measures to increase access to mortgage financing and an acceleration in public capital investment, the largest being a hydroelectric power project. "Over the medium term, however, growth prospects will depend critically on sustained efforts to strengthen private sector confidence, stimulate higher levels of investment and improve the competitiveness of Dominica's exports," the CDB said.

Dominican Republic

Bombs Explode in Salcedo During Demonstration

FL2205180089 Santo Domingo Radio Mil Network in Spanish 1154 GMT 22 May 89

[Text] Unknown persons yesterday, Sunday [21 May], set off several home-made bombs in commercial establishments in the city of Salcedo. The bombs were set off

during a strike in which protestors demand that the authorities build an aqueduct, a cafeteria, a sports facility, and other installations. The establishments that were damaged by the terrorist actions were the Reserve Bank, [name indistinct], the La Nortena Travel Agency, and Naranja pizza parlor.

During the clashes between the police and young demonstrators, ten or so people were arrested in the neighborhoods of Rabo Duro, La Amargura, and San Antonio in Salcedo.

Also yesterday, a homemade bomb was set off in the municipal cockfight arena, however, the quick response by firemen prevented the establishment from burning down to ashes. During yesterday's violent incidents in San Pedro, some youths were beat up. In the time that Salcedo has been on strike, two persons have died: the 3-month-old infant [name indistinct] and Jose Ramon Valdez, who was 19 years old. Those injured are: Angel Sur, Librado Gaston, Braulio Valle, Isabael Lidiano, Cesar Valdes, and Jose Gomez, and Legario Foja.

For his part, the president of the Salcedo Businessmen Association suggested the creation of a commission that would meet with the president of the Republic in order to find a satisfactory solution to the strike that is affecting the province. In a meeting Pedro Julio Alvarado held with the main provincial authorities, he proposed the creation of the commission which would include Santo Domingo's archbishop, Monseigneur Nicolas de Jesus Lopez Rodriguez. Alvarado said that the strike, which began (?6) days ago to demand the construction of several projects, is beginning to take the road to chaos and anarchy which will lead to nothing good.

Haiti

Leopard Corps Soldiers Reportedly 'Transferred'

FL2205161189 Port-au-Prince Radio Nationale in Creole 1300 GMT 19 May 89

[Excerpts] [Announcer Bolivar] Our colleague Serges Philippe Pierre is unexpectedly here on the Creole-language newscast this morning. [passage omitted]

[Pierre] Thank you very much, Bolivar. Last Tuesday, the Haitian Armed Forces [FADH] high command met at the General Headquarters of the Port-au-Prince Police to take measures to see to what extent they could put a halt to this climate of insecurity prevailing in the capital and in our provincial towns. [passage omitted]

No soldier is authorized to wear olive green at any time, except when he is inside his barracks. [passage omitted]

Also, Bolivar, we have read in certain periodicals, and people are also saying, that the Leopard Corps has been dissolved. We went to the horse's mouth to find out exactly what was going on.

The Leopard Corps has not been dissolved. [passage omitted] We talked to a number of official sources, who told us that the term dissolve, that dissolution, is not appropriate for this juncture; that is, that the term is inappropriate. The truth of the matter is that there have been new assignments in the Leopard Corps. Let us say that there has been a kind of transfer. A person was in one place, and they have sent him to another place.

Where are all the soldiers who were in the Leopard Corps? As I said, this no longer exists at all. [sentence as heard] Of course, there are a number of administrative structures that have been put back in place. However, this matter of the members of the Leopards Corps, well, they have been transferred, sent to all the tactical units in the provinces, and not just in the provinces! Some have been sent to the Army General Headquarters and to the Police, etc.

Meanwhile, as you know, this corps was created by government decree. Now, since all the troops have been transferred, since there is almost no one in the Leopards Corps anymore because they have all been transferred to the provinces, is the government going to abrogate the law creating the Leopards Corps? Well, we must tell you that according to information we have gotten from well-informed sources, the Leopard Corps is not going to be called the Leopard Corps any longer. It is going to be turned into a teaching center to train recruits and retrain FADH noncommissioned officers. [passage omitted]

Thus, the Leopard Corps has not been dissolved. The members of the Leopard Corps have been to several other places, and now the Leopard Corps is going to become, when the authorities....

[Bolivar, interrupting] I think there is something that will claim the attention of those listening to you. As you know, the Leopard Corps had its own military uniform, a green leopard-spotted uniform. Will this uniform still exist?

[Pierre] We're not saying it will and we're not saying it won't. The essential thing is that we know that everyone who was in the Leopard Corps has been sent to the provinces, and if you are sent somewhere, you have to wear the uniform of that corps. [passage omitted]

Soleil Questions Meaning of 'Reconciliation'

FL2205163389 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 22 May 89

[Excerpts] A young woman named Marie-Michelle was hacked to death with a machete and a 2 and 1/2-month-old baby was wounded in the leg near Habitation Leclerc in the Martissant section of Port-au-Prince last Friday night [19 May]. This vile act was committed by a group of people armed with machetes, and no one knows why or exactly who did it. The people stole nothing from the house. They merely committed the crime.

The police have arrested two or three people who were in the area in connection with an investigation into this murder. [passage omitted]

Many people are wondering who exactly these people who are sowing terror in Haiti are, who they are working for, what they are after, and why the police has as yet never been able to lay hands on a single one of them.

Although it is true that nothing can work in a country without unity, in a country where all are enemies, in a country where no one gets along, it is also true that unity and reconciliation should be based on certain conditions, certain foundations. In the case of Haiti, does reconciliation mean that the people who have been murdering the Haitians, the people who have been pillaging the country for more than a quarter of a century, should be allowed to continue to murder and pillage with no problems? Well, if this were to be what reconciliation requires, such a reconciliation would be built on a disgraceful foundation.

Reconciliation is a good thing. However, if at the very moment that it is being preached the same people who have always killed Haitians are not willing to change, if they are determined to continue to destroy and pillage, well, what kind of reconciliation is that? [passage omitted]

Jamaica

Seaga Assesses Manley Government Performance

FL2205210289 Bridgetown CANA in English 1636 GMT 19 May 89

[Text] Kingston, Jamaica, May 19, CANA—High marks for foreign policy and a failure at economic management—this is opposition leader Edward Seaga's assessment of the first 100 days of the Michael Manley government here. But Seaga himself is under fire here for his economic management, with critics saying that when he left office Jamaica was poised to fail an International Monetary Fund (IMF) test for continued economic aid. "(Foreign policy) is the area where they have made their strongest moves in the right direction," Seaga told journalists. But in dealing with the finances the new government, according to Seaga, has shown ineptitude in handling a market economic, groped for solutions and put the country back into a position of austerity. "Indications are that it will be a tight, tough year in contrast to what was to be the most buoyant year of the 1980's," Seaga said. Jamaica was now back on a regime of surviving from IMF test to IMF test, Seaga said.

Manley defeated Seaga in the February 9 general election here, ending the latter's eight year stint of prime minister. Seaga claimed that he had engineered a strong recovery in the Jamaican economy and that the island was poised for long-term growth by the time he left office.

However, since taking over, Manley and his ministers have been preaching that the picture was far from as rosy as painted by Seaga. Economic growth for 1988 was being grossly overestimated, projected foreign exchange inflows after last year's hurricane were exaggerated, the island was poised to fail an IMF test in March, and if Seaga returned to office he would have had to enforce the austerity contemplated by the new administration, Manley's officials say. Seaga, however, argued that all that was nonsense.

The Manley government in the early period lurched incoherently, he suggested, and missed opportunities for dealing early with international institutions, leading to shortfall in foreign exchange inflows.

The up shot, he said, was the sharp cutback in central government spending on post-hurricane reconstruction programmes, an expansion of the deficit of state companies and the current weakening of the Jamaican dollar against the U.S. currency. These would be among the underlying factors that shaped a new agreement the government has negotiated with the IMF as well as a big cut in government subsidies that has pushed up the cost of a number of basic food items.

Seaga's government had for two years been resisting IMF and World Bank demands for price increases. "They yielded too easily to the World Bank," Seaga said.

Seaga rejected that the serious problems in the economy emerged too early to have been the making of the new government and dismissed the bullish behavior of the Kingston stock market as a sign of confidence in the policies of the new government. "It only takes a split second to let go of the wheel of the car to crash it," the opposition leader said.

The problems, particularly the rising black market rate for the American dollar, began to emerge just before the election when Manley's victory was apparent, he said. The "rot" could have been stopped had the new government moved quickly, he said.

But while he berated the government on the economy and other domestic issues, he congratulated Manley for taking the steps that were necessary to deal with the perceptions of his government that might have remained from his administration of the 1970's.

Relations between the previous Manley government and the United States were frosty, but the prime minister and other key members of the administration have been to Washington to continue the fence-mending begun while in opposition.

Seaga also noted the government's reticence to rush into the re-establishment of diplomatic relations with Cuba, the cause of much of the previous problems with the U.S. "Obviously, the government will tread very warily with any initiative that could affect an relations they are

trying to rebuild," he said. Seaga, who broke relations with Havana in 1981, said he had no doubt that in due course the relations would be re-established but declined to say what would be his reaction.

Trinidad and Tobago

Delegation of OAS Team Departs for Panama

FL2205193089 Bridgetown CANA in English
1642 GMT 22 May 89

[Text] Port-of-Spain, Trinidad, May 22, CANA—Trinidad and Tobago's external affairs minister, Senator Dr Sahadeo Basdeo, left for Panama Monday to join a three-country team selected by the Organisation of American States (OAS) to report on the troubled Central American State of Panama. Basdeo's team consists of Trinidad and Tobago's ambassador to Venezuela, Christopher Thomas, and counsellor at Port-of-Spain's Washington Embassy, Lennox Wattley. The delegation was scheduled to meet in Panama Monday [22 May] night with representatives from Guatemala and Ecuador.

The overall OAS team has been asked to come up with suggested formulas to heal problems in Panama occasioned by the nullifying of general elections by Panamanian leader General Manuel Noreiga two weeks ago. The three-country team is mandated to report back to OAS foreign ministers by June 5. The decision to send a mission came out of last week's special OAS meeting on Panama in Washington.

Acting External Affairs Minister Dr Bhoe Tewarie had headed the Trinidad and Tobago delegation to the OAS meeting. On Sunday Basdeo was briefed by Tewarie and Prime Minister A.N.R. Robinson on the issue.

In a Monday editorial commenting on Trinidad and Tobago's participation in the OAS mission, the TRINIDAD GUARDIAN said it was a "signal of honour" for the twin island republic.

"Freedom loving peoples in this hemisphere have to make it known to pocket Napoleons like Noriega that they will not tolerate rigging of elections," the GUARDIAN declared. The paper said that it might not be necessary for any country or group of countries to invade Panama to remove Noriega. "An ultimatum and a threat by the OAS to make him an international pariah should do the job just as well." "If the OAS team makes Noriega understand that his retention of power will isolate Panama in the hemisphere and destroy his country's economic prosperity, that may be the lever to get him out," the GUARDIAN said.

Paper Urges 'Strong Statement' on Guyana

FL2205184689 Bridgetown CANA in English
1728 GMT 22 May 89

[Text] Port-of-Spain, Trinidad, May 22, CANA—The Trinidad GUARDIAN newspaper on Monday urged the government to make a strong statement on problems in Guyana, after looking into troubles in Panama.

Commenting on Port-of-Spain's participation in a three-nation Organisation of American States mission to Panama which arrives in the troubled Central American state Monday night, the GUARDIAN said the next issue would be Guyana.

"For several weeks, a state of tension has been building in Guyana and government has been dodging behind the excuse of collecting information," the paper said. "President (Desmond) Hoyte's regime is an improvement on that of his precedessor Forbes Burnham but, according to reports coming out of Guyana, it is still guilty of numerous violations of human rights."

The paper said the Guyana Government had continued its policy of denying permission for protests and arrested demonstrators. It also pointed to treason charges being brought against certain individuals for doing what it called "no more than complaining about high prices."

"Our government must let President Hoyte know how we feel about these regrettable developments in the same way we must let Manuel Noriega know our opinion of his actions," the GUARDIAN said. The paper added that Trinidad and Tobago had already made a commitment to the preservation of democracy through the Caribbean Community and the Organisation of American States. The GUARDIAN said now was the time for Trinidad and Tobago to fulfill its leadership position, particularly in Caricom.

Government Meets Target for IMF Aid

FL2205175489 Bridgetown CANA in English
1724 GMT 19 May 89

[Text] Port-of-Spain, Trinidad, May 19, CANA—The International Monetary Fund is satisfied that Trinidad and Tobago has met its requirements for continued IMF aid, Finance Minister Selby Wilson has said. The government here is not anticipating any future difficulties with the Fund which cannot be overcome, Selby remarked. He was quoted in local newspapers as saying that the only exception for the IMF team now in Trinidad reviewing government's performance is the South East Coast Consortium (SECC) which they felt had exceeded the limit of external borrowing. The SECC is a group of petroleum companies which joined together to develop a gas project on the southeast coast.

Wilson, at a press conference to discuss the outcome of the meeting of the Caribbean group for co-operation in economic development held here last week, said while the review was incomplete, government had substantially met its targets. Planning Minister Winston Dookeran indicated that one outcome of the meeting was an expected TT4.8 billion dollars (one TT dollar: 23.5 U.S. cents) in loans for the 1989 to 1991 period, through the IMF, the World Bank, and six other international financial sources.

Dookeran said 17.6 million would go to schools, 2 million to health, 6.5 million to housing, 13.9 million to the Mount Hope medical complex, 3.8 million to the Development Finance Corporation for private sector funding and 39.9 million to the productive sector. The disbursements over the three year period will be 1.5 billion in 1989, 1.9 billion in 1990, and 1.4 in 1991.

Workers Bank Reopens After 30-Day Suspension
FL2205201289 Bridgetown CANA in English
1635 GMT 22 May 89

[Text] Port-of-Spain, Trinidad, May 22, CANA—Trinidad and Tobago's recapitalised Workers Bank (1989) Limited reopened its doors on Monday under the control of the Central Bank after a 30-day suspension and with Managing Director Osbourne Nurse reporting "heavy" traffic and none of the panic some had anticipated. The bank, ordered closed by the central bank after developing serious cash flow problems, was reopened with government now holding 50 percent of the shares it will begin to divest in five years.

Commercial banks, seven of which in a Monday statement welcomed the reopening, will also hold shares, along with insurance companies, the National Insurance Board, credit and trade unions, and members of the public.

Nurse told CANA on Monday that there had been "quite a bit of activity, but there has been no panic." He said there had been a lot of "unsolicited, high vocal" assurances from the 200 or so people who entered the bank that "this was their bank and they are not leaving it." He said some people had withdrawn their deposits or broken their fixed deposits, but some had also been renewing their deposits or simply collecting their pension. The bank, he said, was "very positive" and did not feel at all threatened by the situation.

The Central Bank last week appointed Nurse to the position and Leonard Williams as chairman of the restructured bank.

Governor of the central bank, William Demas, in a show of confidence in Workers Bank, opened a personal account at the bank Monday morning.

"There is no need to panic. It is a sound bank. I'm here to open an account, a savings account just to show my confidence in the new, reorganized Workers Bank," he said as he made his deposit.

Sale of Domestic Bonds To Help Finance Budget
FL2205235089 Bridgetown CANA in English
2030 GMT 22 May 89

[By Debra Ransome]

[Text] Port-of-Spain, Trinidad, May 22, CANA—The Trinidad and Tobago Government on Monday signed an agreement here to raise some TT206.7 million dollars on the domestic bond market to help finance its 1989 budget gap. The bond issue, the fifth made on government's behalf by Republic Bank's Finance and Merchant Bank Company (Fincor), leaves the administration looking for an additional TT340 million dollars (one TT dollar; 23.5 U.S. cents) to finance its 1989 spending, according to Finance Minister Selby Wilson.

Unlike previous bond issues by Fincor for government, this money is not project specific and will be used to finance spending allocated for the country's public utilities, state enterprises, and government ministries. Government will draw down on the pool of funds in three installments—in May, August, and November.

The 1989 budget presented in January, envisaged TT5.9 billion dollars in recurrent and capital spending, of which some 5.2 billion dollars had been covered by general oil exports, other recurrent funds earned, and capital revenue. Of the 715.7 million dollar deficit, government had said it would raise 457 million dollars from drawdowns on foreign loans and capital repayments. Government had planned to borrow 520 million dollars on the domestic market.

Fincor officials said the bond issue fell short by 19 million dollars but that this was not an indication of less cash on the local market. "I don't think government is encroaching on the private sector availability of borrowing," Republic Bank Managing Director Dunbar McIntyre told reporters.

"At the present time...the banking system as a whole is very liquid and I would say is in a position to meet all normal requirements for investment by the private sector.

"This issue had not, in any way, squeezed the private sector out of the market," McIntyre said, adding that he expected such liquidity to continue for the next six months at least.

Wilson said at the signing that government still planned to seek its full requirement on the local market and did not plan to increase its foreign borrowing requirement to take up any slack.

"The immediate response is not negative. I think the issue did quite well. I was particularly pleased that the subscriptions came from a very wide cross section of the public and individuals," Wilson told reporters.

The May 4 to 12 bond issue brought in money from individuals (1.9 million dollars), commercial banks (83.3 million dollars), insurance companies (24.2 million dollars), trust, mortgage finance and non-banking institutions (56 million dollars), other bodies, including credit unions and the national insurance board (41.2 million dollars).

Wilson said the loan falls within Trinidad and Tobago's Central Government's deficit as outlined in its 14-month International Monetary Fund (IMF) standby programme.

According to the letter of intent sent to the IMF, the deficit is one of the limits Trinidad and Tobago must meet to pass its quarterly performance tests with the IMF under the programme which went into effect in November 1988.

Editorial Supports Government on Panama Crisis

PA2005234889 Mexico City EXCELSIOR in Spanish 17 May 89 p 6-A

[Editorial: "They Do Not Understand Us"]

[Text] It has never been easy for the United States to understand Mexico's democratic and freedom-oriented reasons to act as it does concerning international politics. It seems that the same thing is happening now concerning the Panamanian crisis. The U.S. Government is concerned about a position that is gathering strength in Latin America—a position that Mexico specifically advocates—rejecting a condemnation of the Panamanian Government within the OAS. The U.S. Government's concern shows that Washington does not fully understand the reasons why most of the countries on the continent—especially our own country—do not agree with U.S. views.

Mexico is concerned about Panama's estrangement from democratic guidelines, above all because it is caused by a discredited leadership that puts its personal interests before those of the people. That is all. Thus, the Mexican Government cannot let the OAS be turned into a higher court to decide if a member state's political process was legal or not, as the United States pretends to do.

Furthermore, the Foreign Relations Secretariat condemned the Panamanian leader—as in Anastasio Somoza's case in 1979—not to please or displease anyone but because the conflict could worsen and become an undesirable regional conflict. The Mexican position is quite clear: they are neither a higher court nor foreign interferers in the Panamanian crisis. If this position coincides with that of other countries, good. If on the contrary, some differences arise—no matter how deplorable they are—Mexico will not give in where its principles are involved.

Grim Picture of Noriega Personality Painted

FL2205181389 Mexico City Red Nacional 13 Imevision Television in Spanish 0300 GMT 19 May 89

[Text] Today the foreign ministers of Ecuador, Guatemala, and Trinidad and Tobago began consultations with OAS Secretary General Joao Clemente Baena Soares. Tomorrow they will be traveling to Panama, and on Monday they will begin their peace-seeking efforts. The Panamanian conflict revolves around Manuel Antonio Noriega. Observers agree that Noriega is the center of the crisis that today engulfs that fraternal Central American country. But who is General Manuel Antonio Noriega?

Noriega began to stand out thanks to his ability to stay close to General Omar Torrijos; he took advantage of this closeness to begin carving a leadership position for himself, establish links with drug trafficking, and operate as a double agent for the CIA, consequently participating in the confrontation between the East and the West.

According to reports from the most influential U.S. publications, this controversial man was born an illegitimate child in 1934. He was admitted into an orphanage when he was 5 years old. As a youth he set two goals for himself: to become either a psychiatrist or president of the Republic. As a student at a military academy in Peru, he collaborated with the U.S. Central Intelligence Agency, providing information on those of his colleagues who were members of opposition parties.

According to Panamanian journalist Guillermo Sanchez Borbon, Noriega was accused of having sex with minors. Omar Torrijos became his protector; he halted the charges against Noriega and assigned him to Chiriqui Province. Torrijos later put Noriega in charge of the National Guard's G-2 Section, which handles military intelligence, criminal investigations, customs, and immigration.

A violent man, Noriega fought against the guerrillas in Chiriqui. To prove the success of military operations, Noriega would show journalists parts that had been chopped off from the bodies of the fallen rebels. [Video shows file footage of Noriega brandishing a machete and making a chopping motion while delivering a speech.] According to journalist Sanchez Borbon, Noriega liked to watch, or even better, participate in the torture of his victims.

According to sources close to the Washington government, Noriega was responsible for the murder of opposition leader Hugo Spadafora in 1985, in retaliation for Spadafora's accusations of Noriega's involvement in drug trafficking.

Noriega's personal fortune is estimated at close to $1 billion. Although he tries to give the impression he is well bred by quoting from literary works, his daily behavior betrays him. And although his basic salary is only $40,000 a year, he owns a luxurious residence filled with works of art and very expensive furniture. He also owns a fleet of automobiles, an apartment in Paris, a castle in southern France, properties in Spain, Japan, and Israel, and a dozen buildings in Panama.

A vain person, Noriega traveled to Switzerland in 1982 to try to get the texture of his complexion smoothed out, because in Panama the people referred to him as pineapple face. This bothered Noriega so much that on his instructions a law was passed making insults of this type against government officials punishable with 2 years in jail.

According to Jose Blandon, former Panamanian consul general in New York, Noriega had close ties with the CIA thanks to his reports on Panamanian politics and Cuba's activities. The CIA was allowed to carry out electronic spy operations from a station in Panama that collected information from Central and South America. Noriega is also accused of being a double agent, because he likewise allowed espionage activities by the Soviet KGB. Blandon also says that Noriega was very useful to the CIA because

he allowed Nicaraguan contras to be trained on Panamanian territory. In May 1986, after Noriega had accumulated millions of dollars from drug trafficking, DEA Director John Lawn congratulated him for his vigorous struggle against drug trafficking.

In 1985 William Casey, who was CIA director at the time, hushed up the growing wave of protest in the U.S. Congress over Noriega's illegal activities because Casey felt that he was more useful to Washington's interests in Panama. [Video shows file footage of William Casey.] In reality the bomb of Noriega's discredit exploded when the murder of Dr Hugo Spadafora became known, with the subsequent fall of President Ardito Barletta and Noriega's growing rapprochement with the Eastern Bloc. The latter became known due to the transfer of advanced military technology to the socialist bloc.

This is a brief outline of the personality of Panamanian strongman Manuel Antonio Noriega. We hope we have answered the question we asked at the beginning of this report: Who is Manuel Antonio Noriega?

Foreign Secretariat Praises OAS Resolution
FL2205155289 Mexico City Red Nacional 13 Imevision Television in Spanish 0300 GMT 19 May 89

[Text] The Mexican Foreign Secretariat released a communique tonight saying that the OAS resolution on Panama is completely in line with the Mexican foreign policy principles that are enshrined in our Constitution.

The communique says that the Mexican delegation that attended the OAS meeting fulfilled the goals of its mission: ensuring unrestricted respect for nonintervention and the self-determination of peoples; reiterating that the Panama Canal treaties must remain in effect; and preserving Latin American unity and the cohesion of the Rio Group.

The Mexican Foreign Secretariat points out that the consensus achieved in approving the OAS resolution highlights the constructive formula that was found to face the problem within the institutional framework of the continent, with Latin America participating to solve problems peacefully, without threats or the use of force. The Foreign Secretariat says that respect for self-determination and non-intervention is the highest form of democracy, taken to the level of coexistence between countries.

The communique released by the Foreign Secretariat tonight concludes by saying that only the Panamanian people can resolve the Panamanian situation.

Government Not To Ship Oil to Nicaragua, Panama
PA1905204689 Madrid EFE in Spanish 1933 GMT 19 May 89

[Text] Mexico City, 19 May (EFE)—According to Mexican Petroleum (Pemex) and the Bank of Mexico, the Mexican Government will not resume petroleum supplies to Panama and Nicaragua under the preferential conditions they had within the framework of the San Jose Pact until they make some payments on their debts.

Reports from both sources quoted today by the Mexican daily LA JORNADA state that Panama owes Mexico approximately $500 million for crude oil sales.

Mexico suspended petroleum shipments to Panama under preferential conditions in February 1988, and the Pemex state enterprise insists it will not resume supplies until Panama pays its debt.

The suspension of crude oil shipments to Nicaragua until the San Jose Pact began in 1985, has not been reestablished despite Nicaragua's appeals to the Mexican Government.

The San Jose Pact was signed in 1980 by the two petroleum powers of Latin America, Mexico and Venezuela, who committed themselves to offer crude oil under preferential conditions to approximately eight Latin American nations.

Bank, Soviet Financial Institution Sign Accord
PA2205020989 Mexico City EXCELSIOR in Spanish 17 May 89 pp 1-A, 5-F

[Text] A Mexican commercial bank has signed a loan agreement with a Soviet financial institution for the first time. Jose Juan Olloqui, director general of Banca Serfin, and Rostislav A. Sergeyev, the Soviet ambassador to our country, signed an agreement by which the USSR's Bank for Foreign Economic Affairs will loan our country $300,000.

This marks the first step to strenghthening the economic relations between the two countries. The continual friendly relations between the Mexican and Soviet Governments have been expressed at various times through technological and productive cooperation. However, this new loan is aimed at expanding the two countries' financial relations.

At the ceremony to sign the agreement, Sergeyev said that a broader plan for economic cooperation with Mexico will be implemented next month. A greater exchange to benefit our production sector will be implemented as part of a long-term program.

For his part, Olloqui expressed his interest in strengthening relations with the Soviet Union as well as the loan received to purchase Soviet goods.

Soviet perestroyka and the modernization of the Mexican financial system show their effectiveness with this type of agreement for the benefit of our country's infrastructure.

Salinas Holds Meetings With Labor Organizations

PA2305003189 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 20 May 89

[Unattributed report on President Carlos Salinas de Gortari's meetings with labor organizations on 20 May; place not given—passages within quotation marks recorded]

[Text] During meetings with labor organizations, President Salinas said today that the current struggle against inflation will be strengthened through concerted efforts. He added that achievements made through the [Economic Growth and Stability] Pact must be consolidated to bring about the urgently needed economic recovery and national modernization, with the government maintaining ownership and control over strategic companies.

[Salinas] "Recovery is not just another one of the government's objectives; we urgently need to respond to the workers, peasants, and urbanites. With this goal in mind, we will continue the Pact, the strategy that we have agreed upon, and strengthen recovery through concerted efforts."

As he inaugurated the 37th national convention of the Mexican Workers Regional Confederation, CROM, the head of the Executive Branch explained that the ultimate goal of his administration's modernization program is to create jobs, greater freedoms, and greater opportunities for all citizens.

[Salinas] "Today, before the workers, I reaffirm my commitment to give priority to ensuring that the benefits of modernization will lead to gradual salary increases."

Later, during a dinner with the Sole Trade Union of Electrical Workers of the Mexican Republic, SUTERM, the president urged workers not to let up in their struggle against inflation. He also reaffirmed his administration's resolve to make changes to place Mexico at the vanguard of nations who are modernizing in preparation for the 21st century. He explained that modernization calls for economic expansion, but he clarified that there will be no backing away from state ownership and control of strategic companies.

[Salinas] "In the electricity and petroleum industries, we will ensure the Mexican people that the government will retain ownership and control."

In this regard, he said that the (?Electricity Commission will) increase public investments. The president also inaugurated the new Workers Bank building.

Extends Economic Stability Pact

PA2205230289 Mexico City THE NEWS in English 21 May 89 p 6

[From "The Week in Review" column]

[Text] President Carlos Salinas de Gortari announced Friday the extension of the Economic Growth and Stability Pact [PECE] beyond the July 31 deadline. He did not specify how long the pact would remain in effect but business leaders said it would last until Dec 31. The PECE is an agreement between government, business, and labor groups intended to control inflation. Business agrees to price controls; labor agrees to wage controls; and the government agrees to reduce spending.

Public Credit Secretary on Debt Negotiations

FL1905200389 Mexico City Red Nacional 13 Imevision Television in Spanish 0300 GMT 18 May 89

[Text] In New York City, a committee of 15 creditor banks has accepted Mexico's proposal outlining 4 main objectives. Tonight Finance and Public Credit Secretary Pedro Aspe Armella made two important announcements. Negotiation of our foreign debt has resumed, and Mexico has obtained a new loan from the World Bank. The renegotiation of the debt is under way in New York City.

[Begin Aspe recording] Following a 10-day recess that allowed the two parties to carry out necessary consultations, negotiations between Mexico and the Bank Advisory Committee [Comite Asesor de Bancos, CAB] resumed today in New York City. The committee, which represents 15 banks, informed Mexico of its willingness to continue working, without delay, on the voluntary and concerted negotiation of a multiannual financial package. The negotiation has 4 main goals: reduction of principal, reduction of interest rates, recycling of interest, and loans of fresh funds for development.

During the recess the CAB representatives met with the IMF and the World Bank to discuss the size of the financial package, ways to reduce the credit risk, and the role that the multilateral institutions and the creditor countries should play. The CAB confirmed that a proposal had been drafted and would soon be delivered to the Mexican negotiating team.

CAB Chairman William Rose said that in view of Mexico's continuous efforts to make economic adjustments and structural reforms—as evidenced by the new norms of the law to promote domestic investment and regulate foreign investment, which have been accorded a warm reception—we are all working to find a solution as soon as possible.

In this way, ladies and gentlemen, we have complied with the president's instructions to keep the people informed of the status of the negotiation of our foreign debt. We will be informing you of future progress as we go along. [end recording]

Regarding the new loan, Finance Secretary Aspe said:

[Begin Aspe recording] Today we finalized negotiations with the IBRD [International Bank for Reconstruction and Development], the World Bank, for a total $1.96 billion consisting of a financial package and a credit to finance government projects. The $460 million credit and a financial package, made up of three rapid release loans for $500 million each, will be submitted to the executive directorate of the World Bank for approval.

The funds from the package will be available almost immediately, because they have been targeted for quick release. The money from the loan for the financing of hydroelectric projects will be released as work advances on the projects of the Federal Electricity Commission.

The financial package, which has been authorized by the Honorable Chamber of Deputies in the 1989 indebtedness plan, will help achieve the structural reform measures undertaken by the Federal Government in the financing, industrial, commercial, and parastate sectors. Part of these funds will be used for the debt reduction plan, and this will exert a positive influence on the process of renegotiating with our foreign creditors.

The loan to support the financial sector recognizes the achievements made in stabilizing the economy and controlling inflation by means of the Pact for Economic Stability and Growth. It also takes note of the basic objectives of Mexico's 5-year economic plan for the 1989-1994 period: to achieve and maintain an adequate growth rate, consolidate the stability of prices, and seek the gradual recovery of the peso's purchasing power. The loan stresses the need to encourage public and private savings, promote investment in the productive sector, and increase the efficiency of economic structures, and it mentions the need to maintain and, if possible, expand social welfare programs, particularly those designed to stamp out poverty.

On tax matters, the loan mentions the need to modernize and decentralize the system of assessing and collecting taxes, so as to achieve a larger amount of revenue from taxes and a better distribution of wealth. This can be achieved by expanding the tax base while decreasing tax rates [aumentando la base de los contribuyentes pero disminuyendo las tasas impositivas], and by encouraging the states, municipalities, and the federal district to play a larger role in tax collection. The loan also recognizes the advances made in modernizing the financial sector, and outlines the advantages that can be achieved by stimulating healthy competition between the various institutions and having an efficient financial sector that will promote savings and the channeling of resources to productive activities.

This loan makes special mention of the need to strictly comply with the 1989 budget goals approved by the Chamber of Deputies, and of the requirement to reduce the transfer of funds abroad by means of an adequate renegotiation of the foreign debt, which should include plans to reduce both the debt and service payments through the availability of new credits for development.

The loan for the industrial and commercial sectors recognizes the need for more modern and efficient productive and marketing systems, which would allow Mexico to compete with greater advantage in an increasingly more competitive world market. It stresses the need and advisability of maintaining the trade opening, but points out that it would be advantageous for Mexico to link this opening to the results of the bilateral and multilateral negotiations with its partners in trade. This loan mentions the advisability of promoting competition between domestic enterprises, as well as competition with foreign companies, so as to achieve a greater rate of efficiency. This would allow the national consumers to get better products at lower prices, and would convert exports into a more important source of the resources needed to fuel our country's economic growth.

The loan for the parastate sector recognizes the federal government's achievements of increasing the efficiency of the enterprises in the parastate sector and cutting back or suspending unjustified subsidies. [end recording]

World Bank 'Promise' To Provide $2 Billion

PA2205233789 Mexico City THE NEWS in English 21 May 89 p 36

[Article by Daniel Alder]

[Text] The Mexican Stock Exchange (Bolsa) inhaled deeply Thursday in the economic breathing space brought by the World Bank's promise to provide Mexico with almost 2 billion dollars in hard currency. The Bolsa jumped 2.87 percent, to close at 281,169.67.

A Finance Secretariat spokesman told THE NEWS that the 1.96 billion dollar World Bank credit had "taken pressure off of the negotiating process." But he added that the bankers had not come back to the talks Wednesday with any solid answers. "They have still not made a concrete proposal," the spokesman said.

Mexico is waiting for an answer from the 15-member committee that represents its commercial bank creditors to a "menu" of options the country has put forward aimed at reducing the net outflow of capital from Mexico.

There had been official speculation here that the banking committee would return from a 10-day recess that ended Wednesday with a counter-offer.

The Finance Secretariat spokesman characterized the mood in official circles here as one of "optimism," adding that a response from the banks is expected "very soon."

Finance Secretary Pedro Aspe Armella told the press about the loan in a conference held Wednesday night, but did not answer any questions about it. The bulletin Aspe read at the press conference says 460 million dollars would be disbursed gradually for hydroelectric projects, and that the other 1.5 billion dollars would go for structural changes in the financial, industrial, commercial and parastatel sectors.

Aspe also said some of the money would go toward debt reduction, which would help Mexico in the negotiations with its creditor banks, but he did not say how much. The debt reduction funds represent "an important advance" in the negotiations with creditor banks, Aspe said.

The banks did agree that the negotiations would be based on a four-option plan put forward by Mexico, Aspe added. Those points are reduction of principal, reduction of interest, recycling or capitalization of interest, and fresh loans.

Trade Balance Reported for Jan, Feb 1989

PA2105175389 Mexico City UNOMASUNO in Spanish 16 May 89 p 15

[Summary] The Mexican Programming and Budget Secretariat has reported that the country's trade balance with the rest of the world showed a $95.7 million surplus during January and February 1989. This balance resulted from exports worth $3.45 billion and imports of $3.35 billion during this period.

Pemex Reports Oil Export Earnings Increase

PA2105202689 Mexico City EXCELSIOR in Spanish 17 May 89 p 44-A

[Summary] Mexican Petroleum [Pemex] reported today that since 1988, it is earning an additional $1 million a day in oil exports thanks to the optimal use of its petrochemical plants. Pemex reported that it increased production by 175 percent between 1986 and 1988. For 1986, total production of basic petrochemicals reached 12.59 billion tons, using only 70 percent of the total capacity of its industrial plants. In 1988, 90 percent of the industrial plants' total capacity was used, with production levels reaching slightly more than 15.46 billion tons. Internationally, more than an 80-percent use of total capacity is considered good.

El Salvador

Foreign Minister 'Satisfied' With OAS Resolution

PA2205210489 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 22 May 89

[Text] Salvadoran Foreign Minister Ricardo Acevedo today expressed satisfaction over the results of the OAS foreign ministers meeting. Commenting on the situation in Panama after the general elections, Acevedo said the OAS held General Manuel Antonio Noriega solely responsible for the Panamanian people's situation. He added that opposition candidates Guillermo Endara, Ricardo Arias Calderon, and Guillermo Ford won the 7 May elections.

[Begin Acevedo recording] El Salvador is very satisfied over the 17 May OAS resolution. This resolution is a triumph of democracy and human rights over the traditional OAS policy of nonintervention. We certainly respect these principles. We have, however, reached a balance between the preservation of these principles and respect for human rights and democracy, as stipulated in Articles 3, 16, and 31 of the OAS Charter. This is why we are satisfied, although we would have liked the resolution to say that the results of the 7 May elections should be respected. Nevertheless, the results of the meeting are very positive. The guidelines for the OAS delegation are very specific. Gen Noriega has been held directly responsible for the abuses during the elections and for the general crisis. The three foreign ministers appointed by the OAS have been authorized to promote a transfer of power in Panama by democratic means so the people's will can be respected. [end recording]

Acevedo said the foreign ministers will try to find a way for holding new elections in Panama. These elections, which should not be delayed for more than 6 months, should be held in a climate different from the one in Panama on 7 May. He added that a foreign ministers meeting will be held in Washington on 6 June to discuss whether Noriega will be (?strongly) sanctioned or if other measures will be taken.

FMLN Issues Solidarity Communique on Panama

PA2305011089 (Clandestine) Radio Venceremos in Spanish to El Salvador 0007 GMT 23 May 89

[Communique issued by the Farabundo Marti National Liberation Front (FMLN) General Command in El Salvador; date not given]

[Text] The Farabundo Marti National Liberation Front [FMLN] General Command reports to our people that today, 22 May, at 0000, we began a national operation called: Side by side with Panama in its struggle for the canal and sovereignty. In this way we are expressing our combatant solidarity with the Panamanian people in their struggle to regain control over the canal and to defend their right to self-determination and sovereignty against the imperialist policy of domination and aggression.

The national maneuver consisted of the simultaneous implementation of 30 large-scale, nationwide attacks and dozens of other actions. These included daytime attacks, such as the occupation of positions and the seizure of weapons in open defiance of the enemy's Air Force. [Words indistinct] Be prepared to face—with the highest levels of unity and solidarity—the evil and [word indistinct] future ARENA [Nationalist Republican Alliance] government's death squads. This will be done amid a national or international situation in which the correlation of forces favors groups such as ours, which advocate a national solution to the conflict and which are pursuing peace and social justice.

To the Latin American peoples, we wish to say that we are willing to support them in a united and firm response—a continental response—to an open U.S. military intervention in Panama to wrest from that country its historical right to the canal.

[Signed] FMLN General Command, side by side with Panama in its struggle for the canal and sovereignty.

FMLN Announces New Offensives; Other Actions

Panama Solidarity Operation

PA2305025789

[Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 0015 GMT broadcasts a 50-minute report that includes details on the various military actions the Farabundo National Liberation Front (FMLN) has conducted as part of its "Side by Side With Panama in Its Struggle for the Canal and Sovereignty" operation.

The first report states that FMLN units ambushed a military truck transporting 60 soldiers between Santa Ana and Metapan Cities at 0510 on 22 May, inflicting "approximately" 20 Army casualties including a lieutenant, a sublieutenant, and a sergeant.

Continuing its military report, Venceremos reports that FMLN units clashed with Military Detachment No 4 troops in Cacaotera and Estancias, south of Torola River, Morazan Department, inflicting four casualties and seizing backpacks and other war materiel.

The next report comes from the eastern front and states that FMLN units blew up four power towers that carried electricity to the Pacayas microwave station.

In another report, Venceremos states that FMLN units attacked an Army company and two groups of troops stationed at San Luis de La Reina Canton with "people's artillery" and rifle fire. The report adds that after a

5-hour attack, the FMLN dislodged the Army troops, inflicting approximately 13 casualties and seizing 1 M-16 rifle, 1,000 cartrigdes for M-16 rifles, 10 cartridge belts for M-60 machineguns, and 9 backpacks.

Another report states that FMLN units "completely" destroyed a railroad bridge at Mariona Canton, Jiquilisco Jurisdiction at 1100 on 21 May.

The next report says that FMLN units attacked Military Detachment No 4 troops in San Isidro, inflicting 12 Army casualties. The same report adds:"We have confirmed that an Air Force helicopter was damaged in San Isidro. Our report indicates that FMLN units damaged a helicopter in San Isidro, Morazan Department with antiaircraft fire at 1315 on 22 May."

A report from the paracentral front states that FMLN units began a "harassment operation with mortar and rifle fire against the Santa Cruz Civil Defense headquarters in Ilobasco hamlet, Cabanas Department" at 1320 on 22 May. The report goes on to say that the FMLN units sabotaged power towers near San Sebastian, Cabanas Department. The same report adds that FMLN rebels attacked Military Detachment No 2 troops in Morontepeque Hill, Cabanas Department, between 0600 and 0800 on 22 May, inflicting 14 casualties including one corporal.

The next report from the Anastacio Aquino Paracentral Front indicates that FMLN units ambushed a military truck between Ilobasco and San Rafael Cedros at 0700 on 22 May, inflicting six casualties and blowing up two power towers.

Another report states that FMLN guerrillas attacked the Guazapa Civilian Defense Unit at 0400 on 22 May, inflicting approximately five casualties, including the execution of Amilcar Ortiz, "the chief of that death squad."

The next report from Chalatenango Department states that FMLN rebels attacked "enemy" positions in San Miguel de Mercedes, Chalatenango Department at 0100 on 22 May, inflicting seven casualties and seizing one rifle.

The radio station closes this series of military reports with the following remarks: "These have been the main military reports about the actions conducted as part of our nationwide 'Side by Side With Panama in Its Struggle for the Canal and Sovereignty' operation."

Anti-ARENA Operation

PA2205155689 (Clandestine) Radio Venceremos in Spanish to El Salvador 1221 GMT 22 May 89

[Summary From Poor Reception] "Radio Venceremos announces to our people that early this morning, the Farabundo Marti National Liberation Front [FMLN] began a nationwide operation called 'Everyone Against ARENA [Nationalist Republican Alliance]—We Will Win!' Radio Venceremos will now provide initial reports on this operation received by our radio communications services."

The first reports reaching Radio Venceremos on this operation say that at 0315 on 22 May, our units began an attack on Oromontique Battalion units positioned at a cooperative in Santiago de Maria, Usulutan Department. The FMLN took over the positions at 0500 and seized military hardware. The FMLN also began attacks against 3d Brigade positions in San Luis de la Reina, northern San Miguel Department, at 0100 today.

"Reports from Chalatenango indicate that clashes began at 0100 today in San Miguel de Mercedes, Chalatenango Department. The fighting is continuing as we speak. Another report from Chalatenango says our forces began attacks on enemy positions in Concepcion, Quezaltepeque, Chalatenango Department, at 0100. We are waiting for further reports on this attack."

Radio Venceremos also has a report that clashes occurred in Osicala and at El Coyol Hill, Morazan Department.

Right now, at 0630, we have confirmed reports from Concepcion, Quezaltepeque, that we have inflicted three casualties in clashes in this area of Chalatenango Department. Also, so far we have inflicted seven casualties on 4th Military Detachment troops in San Miguel de Mercedes, and we also seized a rifle. "Reports indicate that clashes continued as of 0630 at these locations in Chalatenango Department."

"We continue reporting on the operation called 'Everyone Against ARENA—We Will Win!' The FMLN took over Guatajiagua, Morazan Department. The report says fighting there began on 1700 on Sunday, 21 May, when our forces attacked 4th Military Detachment positions in Guatajiagua. By early morning on 22 May, our fighters had taken over all of the Army's positions."

There was a clash during the night in the Cacaopera area, south of the Torola River, in which we inflicted four casualties on the 4th Military Detachment and seized knapsacks and military hardware.

The FMLN attacked National Guard positions in Tejutepeque, Cabanas Department, at 0500 today. Clashes continue in Tejutepeque. The FMLN also took over Jutiapa, Cabanas Department; our forces are still still occupying that area.

18-19 May Actions

PA2205165789

[Editorial Report] Clandestine Radio Venceremos in Spanish to El Salvador at 0000 GMT on 20 May carries an 8-minute report on recent military actions by the FMLN.

The report begins by saying "FMLN forces attacked 5th Infantry Brigade troops at the Quebrada Seca Bridge on the Pan-American Highway at 0700 on 19 May. The Army suffered three casualties. At 1300 the same day, a soldier was seriously injured by a mine in El Rosario, San Ildefonso."

The station adds that "the 2d Military Detachment has sustained eight casualties near San Isidro, Cabanas Department. At 0200 on 19 May, after sabotaging a power tower in Vainillas, San Isidro, a guerrilla unit was planting mines when it came across an enemy patrol. In the ensuing clash, eight soldiers were killed or wounded."

The station then reports that "throughout the morning of 19 May, we attacked the Libertador Battalion in Platanares Canton, Suchitoto Department. We inflicted five casualties on this battalion of the 1st Brigade, including two sergeants, one of whom was killed and the other wounded."

The station adds that "a sniper wounded a 4th Military Detachment soldier in San Isidro on 18 May. A helicopter showed up at 0645 to evacuate the wounded soldier."

The report says the Army suffered eight casualties in Santa Ana Department on 19 May. The fighting started "at 0815 with an attack on 2d Infantry Brigade troops in El Pilar, Metapan jurisdiction, during which we inflicted two casualties. At 1230, we fought the same unit in Puerta Viedras, inflicting two casualties with rifle fire and mines. A sniper caused another casualty in El Pilar at 1000, and snipers inflicted two more casualties in the same area at 1400. Finally, at 1425 we inflicted another casualty with mines in the same place. The fighting in Metapan this Friday adds up to eight casualties from the useless troops of the 2d Infantry Brigade."

The report concludes by noting that an Army colonel has claimed 18 guerrillas were killed in San Pedro Nonualco, La Paz Department. It says "Radio Venceremos categorically refutes the reports on this by Colonel (Eladio Sanjura), who is trying to [words indistinct] on FMLN victories in La Paz Department." The station adds that "as we have reported, during fighting between 10 and 15 May, our forces occupied San Pedro Nonualco and inflicted 14 casualties on enemy troops." The report says "the 18 dead that (Eladio Sanjura) claims to have found in the area are most probably civilians killed by Col (Sanjura), because San Pedro Nonualco residents and the press confirmed that the guerrillas did not sustain 18 casualties there."

Guatemala

President Cerezo Visits PRENSA LIBRE Director

FL2205143389 Guatemala City LA PRENSA in Spanish 18 May 89 p 10

[Excerpts] Guatemalan President Vinicio Cerezo Arevalo yesterday visited PRENSA LIBRE General Director Pedro Julio Garcia to talk about several topics of national interest and advise him that, from now on, the government will adopt a new style in its relations with the media. [passage omitted]

It was a cordial and friendly visit. Among other things, the president said that his visit to the newspaper "was an act of good faith and humility, and one in recognition of the important role that the press must play in these times."

Earlier, the president described the visit as a positive action by the government toward the media because it is aware of the important role the media play in the consolidation of the democratic process. [passage omitted]

"The truth is, we cannot afford to have the media and government separated; this would cause unnecessary harm to the possibilities of consolidating a democratic process, something we are all interested in doing," Cerezo added.

"Therefore, this visit is a reiteration of the government's aim to create the appropriate environment for as much information as possible to reach the Guatemalan people," Cerezo said. [passage omitted]

RUOG Says 'Attacks' Reason for Leaving Country

FL2205192089 Guatemala City PRENSA LIBRE in Spanish 19 May 89 p 3

[Excerpts] The representatives of the United Representation of the Guatemalan Opposition, RUOG, who are participating in the National Dialogue left the country shortly before noon yesterday after giving a news conference during which they explained the reasons for their decision.

Dr Ricardo Castillo Montalvo, lawyer Frank LaRue, and Marta de Torres said that they were "leaving the country in light of the increased violence during the days that followed the attempted coup d'etat on 9 May.

The RUOG delegation said that its departure did not mean that the organization is withdrawing from the National Dialogue but that after today, they will send their views from a safer place.

"The 9 May coup d'etat forced the different factions of the Army to negotiate, and one of the issues broached during the meeting was our presence in Guatemala," the RUOG representatives said.

The delegates also announced that earlier this week in Geneva, Switzerland, their colleague and indigenous representative Rigoberta Menchu was proposed as a candidate for the Nobel Peace Prize.

"The people who have increased their threats and pressures against the RUOG delegation must understand that our physical disappearance will not solve the problems for which Guatemala is criticized abroad," the representatives added.

"The National Dialogue has gained strength and even though no spectacular results have been achieved, it has become an option for the country to advance. However, this hurts the plans of certain power groups that are threatening to disband us and who want to undermine the freedom of expression of those who are participating in the dialogue," the RUOG delegates said.

According to statements made by the delegates, they, and their families, have received telephone threats and copies of obituaries, and were even the targets of a foiled terrorist attack.

"Curiously enough, the attacks against the delegation have very peculiar characteristics such as the precision with which they have been carried out. The car bomb was only a warning and we think that it is ridiculous for the government to believe that this was an action carried out by the PGT/6 January [Guatemalan Labor Party/6 January] or the URNG [Guatemalan National Revolutionary Unity]. We know who planned and carried out the attacks," the delegates added without directly mentioning a specific organization.

The RUOG delegates volunteered to return to the country and participate in the dialogue as soon as the government offers them the necessary guarantees.

"We cannot remain in Guatemala any longer; to do so would be to open the doors to a bloodbath," the delegates concluded.

Chimaltenango Commander on Killings in Patzicia
FL2205150789 Guatemala City Teleonce Television in Spanish 0400 GMT 19 May 89

[Statements by Chimaltenango Military Base Commander Jose Luis Kilos on 18 May; place not given—recorded]

[Text] According to residents of Caman, Patzicia jurisdiction, early this morning a group of rebels went to the home of a villager to take him from his home and steal some weapons he had to defend himself. They murdered the villager. The Caman self-defense group immediately placed the village on a state of alert and asked for help from other villages, especially La Esperanza. When the La Esperanza group was on its way to help the residents of Caman, they were ambushed and four civilians were killed. These people were going to help other friends who were in need. This is the sad news we must report to you.

Honduras

Poll Shows 48 Percent Support for U.S. Presence
FL2205192989 San Pedro Sula TIEMPO in Spanish 22 May 89 p 64

[Text] Tegucigalpa—Twenty-two percent of the Honduran people believe "nothing will happen" if the U.S. soldiers stationed in Honduras were to leave the country. This was the result of the latest CID [not further identified]-Gallup poll.

The question asked was: What will happen if the U.S. soldiers leave Honduras?

In general, the people supported the presence of the U.S. soldiers in Honduras inasmuch as 48 percent of the people polled answered in the following manner: Nicaragua will invade us (13 percent), peace will be lost (12 percent), we will lose the aid we are receiving (10 percent), guerrilla activity will heighten (7 percent), and communism will emerge (6 percent).

The remaining percentage answered in the following manner: There is peace in Central America (5 percent), other (9 percent), and undecided (16 percent).

The group with a higher level of education feels that nothing will happen if the U.S. soldiers leave Honduras while those with midlevel education support the presence of U.S. soldiers in the country.

Nicaragua

Ortega Gives Speech at El Viejo, Chinandega
PA2305021089 Managua Radio Sandino in Spanish 1214 GMT 22 May 89

[Unattributed report on speech by President Daniel Ortega at Sandinist Commander German Pomares' mausoleum in El Viejo, Chinandega Department on 21 May—recorded]

[Text] [Begin Ortega recording] The U.S. Government has continued to wage war against us. The Yankees want to starve us until we surrender, because they know we would not surrender even if they take our lives. They have tried to make us surrender through fear, threats, and attacks, but the Nicaraguan people will not surrender. All of the heroic combatants who have fallen during these years confronting the mercenaries have followed Sandino's example. [end recording]

Ortega said at El Viejo, Chinandega yesterday that Nicaragua's difficult economic situation is the price that the revolution has paid for the defeat of former U.S. President Ronald Reagan's interventionist policy. Ortega's speech emphasized the economic difficulties that his government has encountered as the result of the war that Reagan's government waged for 8 years through the counterrevolutionary bands that Reagan financed and organized.

This great problem has been caused by the U.S. Government's policy of subduing the people through aggression. This government is now trying to subdue the people by starving them. But Nicaraguans have not surrendered and they will not surrender, Ortega said amid shouts and applause of those present at the mausoleum of Sandinist Commander German Pomares. The 10th anniversary of his glorious death was being commemorated.

Ortega revealed the existence of a confidential document that he said was part of the U.S. plan regarding the contras' activities if they defeat the Sandinist National Liberation Front in the coming elections. He also said the document discusses the proper way to return land, which was given by the revolutionary government to peasants, to its former owners. He asked those attending the event: What future can the people expect from Somozism without Somoza? The people's response indicated their rejection of an opposition victory in February's elections.

The president explained the urgent need for the economic measures that were adopted in February 1988. Referring to the salary increases demanded by some sectors, he said that would increase inflation and cause more problems for the people. He also explained the responsibility with which workers, peasants, public employees, and others should act to face the crisis. Otherwise, he said, we would be playing along with the enemy. The measures that were adopted are the only way to save the economy and ensure a better future. The Sandinist revolution came to Nicaragua to stay forever; no one will be able to make the people surrender, Ortega concluded.

Delegation To Examine Plane Wreckage in Panama
PA2305044389 Managua BARRICADA in Spanish 22 May 89 pp 1, 2

[Text] Officials from the Ministry of Construction and Transportation and from AERONICA [Nicaraguan Airlines] have been careful about raising expectations concerning the remains of a plane found by the Panama Air Force [FAP], and even though an investigative commission is leaving today for where the remains were found, it is just an "assumption" that the remains are those of the [missing AERONICA] DC-6.

At the AERONICA offices at Augusto Cesar Sandino Airport, a reporter from this newspaper saw a color photograph that the FAP sent to Managua. Although the picture was taken at a low altitude, it is extremely difficult to determine what type of plane crashed in the jungle.

The airline's assistant manager, Walter Gutierrez, confirmed that a delegation of technicians from the Civil Aeronautics Department, the Sandinist Air Force, and AERONICA will arrive today in David, [Chiriqui Province, Panama], and will then take a helicopter to the crash site.

Eliar Rodriguez, director of the People's Transportation Corporation, confirmed that the delegation left this morning, and he confirmed that the wreckage is presumably that of an AERONICA cargo plane that was lost in May 1988. There is also the possibility that the remains are that of an Argentine plane that crashed in that area over 20 years ago.

Gutierrez confirmed the information sent by the Panama Air Force, and, while displaying the only available picture, he stated that the special commission is leaving for David today to directly verify the origin of the remains of the plane.

The picture shows the remains of the plane's fuselage, which appears to be white and blue, but because of the altitude from which the picture was taken, everything looks very small. From what we could see, there does not appear to be AERONICA's rainbow symbol, which reduces the chance of the remains being those of the lost AERONICA plane.

BARRICADA reporters will travel to the crash site to confirm with our own cameras whether the plane in question is the AERONICA plane.

CIA Groups Reportedly Meet With Opposition
PA2205214789 Managua BARRICADA in Spanish 19 May 89 p 4

[Unattributed article: "The CIA Continues Its Distribution of $50 Million; It Favors Some Opposition Members"]

[Text] Adelina Reyes Gavilan, an official of the National Endowment for Democracy (NED), and Sergio Cambronero, executive director of the Center for Advice on Democracy [Centro de Asesoria para la Democracia—CAD], met yesterday with another group they describe as the "civic opposition" to learn about its "needs" in its struggle against the revolutionary government.

According to reliable sources, both these CIA organizations sent their representatives to Managua to distribute the substantial sum of $50 million to the [Nicaraguan Democratic] Coordinating Board, some of "the 14" [opposition political parties], LA PRENSA, and other "independent" media, an amount they are expected to use to confront the FSLN [Sandinist National Liberation Front] at the elections in February.

During yesterday's "working session," Reyes Gavilan and Cambronero delivered to Cardinal Miguel Obando y Bravo a document praising his effort as "the main promoter of democracy in Nicaragua." The meeting, scheduled to last 1 hour, lasted 3 hours. This considerably affected their agenda, which also included a meeting with the LA PRENSA directors and another one with Social Christian politician Agustin Jarquin.

The lengthy meeting with the LA PRENSA directors forced Jarquin to wait in line at the U.S. Embassy at 1500, the time at which the NED and CAD officials were to meet with "all those who want to speak with us."

The Excluded Ones

The CIA intermediaries' first meeting was with Coordinating Board Secretary Roger Guevara, Pablo Antonio Cuadra, Social Christian Fanor Avendano, and Conservatives Hernaldo Zuniga and Alberto Saborio in one of the private halls of the Terraza restaurant. The socialists, communists, PLIUN [Independent Liberal Party for National Unity] members, and the Social Christians led by Erick Ramirez were excluded.

Rank-and-file politicians view the exclusion as a message for those political groups to withdraw from the alliance of the 14 parties, "because those groups are no longer useful for their plans." In this regard, Socialist Gustavo Tablada expressed surprise and said that he did not know why they were excluded from the meeting.

Mrs Reyes de Gavilan said that she had nothing to tell the press "because EL NUEVO DIARIO has already said everything." This was an open admission of the assignment they are carrying out in Nicaragua. For their part, the politicians and Cardinal Obando y Bravo refused to comment on the meeting with NED and CAD officials.

FSLN Commander Urges Inflation Fight

PA2205210889 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 22 May 89

[Passages within quotation marks recorded]

[Text] The Sandinist Central Organization of Workers [CST] began a 10th-anniversary campaign by holding a national assembly to discuss political, economic, and military goals and challenges in defense of revolutionary power.

For several hours, organization leaders discussed industrial groups' problems, possible solutions, and the workers' response to these issues. Sandinist National Liberation Front [FSLN] Commander Victor Tirado reaffirmed that one of the workers' most important responsibilities is to fight inflation. He said inflation cannot be overcome with only tax and monetary measures. There must also be an increase in agricultural, livestock, and especially agro-industrial production. He explained that the country is expected to increase its export capacity by $250 million through coffee, cotton, banana, and sugar exports.

[Tirado] "This great battle is nothing but a struggle to contain inflation, increase production, and solve unemployment to a significant degree. The (?situation) we are facing is difficult and complicated, as we have said earlier. It is more complicated than the war of aggression. Why? We have seen the United States' strategic plans to destroy the revolution in this economic war."

Tirado harshly criticized private groups for siding with the United States in making the economic adjustment plan fail.

[Tirado] "How backward can people be in their thinking? We describe our country's political thinking as revolutionary progress. Does our economic and political thinking have any credibility outside our borders? Have they [not further identified] united with political and economic organizations of the international financial world [words indistinct]? The workers movement will have to confront the forces hindering production. It is already confronting them."

Tirado said people must be prepared for defense, because U.S. policy is still bent on destroying the revolution. He added that the United States has the same designs for the Panamanian Government.

Those at the meeting also criticized the attitude of several teaching groups that are allowing room for the right wing. Furthermore, the industrial workers proposed nonsalary options as solutions to the teachers' problems.

There will also be a national assembly here at the CST tomorrow at 0900. The revolution's basic forces will be meeting to mark the 10th anniversary of the revolution.

Local Market Production Increase Urged

PA2205235889 Managua Radio Sandino in Spanish 1200 GMT 16 May 89

[Text] Jaime Wheelock, head of the Nicaraguan Agricultural-Livestock Development and Agrarian Reform Ministry [MIDINRA], last night announced that the Cattle Technology Directorate will be merged with the Agricultural Technology Directorate to create the new Agricultural Technology General Directorate. The new institution will guarantee the development, transference, and application of new agricultural technology. During his meeting with Nicaraguan farmers on the occasion of farmers' day, Wheelock explained that the merging of the two directorates is part of MIDINRA's reorganization process.

During the meeting held at the Olof Palme Convention Center, Minister Wheelock honored eight agricultural experts with medals bestowed on production combatants. The experts had excelled in agricultural research and production. At his meeting with the Nicaraguan farmers, Wheelock said that no imperialist maneuver or landowner's blackmail will destabilize the Nicaraguan revolution's economy.

Despite difficulties, the Nicaraguan revolution has protected key components of its economic program, Wheelock said. He pointed out that with regard to the food supply, Nicaragua can prevent imperialist maneuvers

and landowners' actions from destabilizing the economy and thus prevent what had happened as a result of similar maneuvers in Chile during Salvador Allende's administration.

Minister Wheelock said that some changes have been made in the agricultural sector over the past 10 years. He explained that land is now distributed more democratically, because what used to be a monopoly is now a system involving thousands of producers. Wheelock said that although Nicaragua increased production for local consumers, production of export goods has fallen. Wheelock urged producers to increase the production of export goods, because, he explained, if this does not happen, the Nicaraguan economy will not improve and a lack of foreign resources will continue.

[Begin Wheelock recording] The power that Somozists and landowners used to wield over land and production does not exist any longer. The country's patriotic, nationalistic, and revolutionary groups now have that power. The correlation of forces in the rural areas, from the point of view of both land ownership and production, favors the revolution. We must admit, however, that we have serious problems. The most evident problem we face is that despite progress made regarding the production of domestically consumed goods, the revolution has gone backward in its production of export goods.

Last year we planted approximately 700,000 manzanas with basic grains; in other words, we fulfilled almost 70 percent of the demand for local consumer goods, while merely planting between 220,000 to 230,000 manzanas with basic grains for export. Those figures demonstrate a change favorable to the production of locally consumed products and detrimental to the production of export products. Therefore, it is clear that we must make a great effort to improve our production of export goods. As long as we do not achieve that goal, the Nicaraguan economy will continue to be in a state of crisis and we will continue to lack foreign resources, despite the positive factors we have just mentioned. [end recording]

Panama

Noriega Interviewed on Current Situation

PA2305034989 Havana International Service in Spanish 0020 GMT 23 May 89

[Interview with General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces, by a "group of Cuban journalists" at the Palace of the Herons presidential palace in Panama City on 22 May—recorded]

[Text] [Noriega] Yes, that is correct. [sentence as heard] The United States has decided to pressure all Latin Americans, and this is an absolutely fatal precedent at the OAS. It will have consequences. We have no doubt that what happened to Panama can happen to any other Latin American country and will entail the same consequences. The fact that the top U.S. leader, Bush, has made me the target of the OAS resolution merely shows that there is a total lack of political ability, a tremendous disinformation by all of the political officers at the U.S. Embassy. The U.S. Embassy here in Panama has been lacking analysis of imperialist alignments, which is why all of its presidents make mistakes. They make mistakes that the top leader of the most powerful nation of the world should not make. Why? Because the chief of a tribe may make mistakes, but the leaders of hemispheres should not make any mistakes.

[Reporter] Under these circumstances, Panama has been subjected, without a doubt, to the greatest information fraud in recent years. How do you think this disinformation about the Panamanian situation can be refuted? What could reporters do about [words indistinct]?

[Noriega] Yes, the term that you have used is exactly what has happened, information fraud. Information fraud is part of psychological warfare, and psychological warfare has been improved by the United States in recent decades. It is now being used to subjugate Latin Americans who do not align themselves with the United States. We are frustrated to see how journalists come here, see what the true situation is, but, nonetheless, they are ordered to engage in scientifically directed disinformation. As a small nation, we only hope that their contradictions will be as plain as the nose on their face. Therefore, their own disinformation, their contradictions, must produce a reaction against their own country. When the citizens of these countries—such as the United States—realize [Noriega changes thought] For example, the soldiers who came here to fight found a different type of country [than what they expected]. When those who are forced to leave this country leave crying, then we feel that we are facing citizens that are aware of the mistakes made by their leaders. Therefore, we tell these U.S. youths, these young soldiers who have been sent to fight here, first, that we are not [word indistinct], second that we are not a nation at war, and third, [we ask] why are they going to take a risk against a people who are going to answer.

They may rest assured that the people will reply to aggression. So Charlie's mother, William's mother, and Jimmy's mother are the ones who are going to weep for their dead boys.

[Reporter] General, do you believe the United States is closing all paths of civilized understanding with Panama?

[Noriega] The United States is closing all civilized paths in an uncontainable shortsightedness, in an outrageous arrogance, because—as we have said before—in Panama we are waging the last battle of the free peoples of America. Imperialism is waging its last battle here. If Panama falls, then all other Latin Americans who are

seeking liberation will later fall. All Latin Americans are subdued by economic force or will be subdued for striving to liberate their territories.

[Reporter] General, do you believe that [words indistinct] for Latin America, that is, this model of aggression being applied to Panama?

[Noriega] It will set a fatal precedent, as I have said. It is completely outrageous. The magnitude of the damage has not yet been assessed. Latin America has not yet estimated the damage done by this resolution. I assure you that there will be other countries that will value the dignity of their peoples above subversion, weakness, and subjugation.

[Reporter] [Words indistinct] the governments' and the Latin American peoples' position?

[Noriega] The Latin American peoples' position continues to be to recognize the realities [words indistinct], a reality of liberation, not a demagogic or ideological reality. The peoples need to find the path toward economic liberation, social liberation, a dignified liberation, whereby the IMF and international loans cannot lead these peoples to a moral surrender.

[Reporter] General, an OAS delegation will soon arrive in Panama. What is the Panama Defense Forces' [FDP] position regarding this visit?

[Noriega] Twenty-four hours before their arrival, we pray to God that the delegation members will have the time and integrity to listen to and to observe the instances of aggression. The U.S. aggression is not just a matter of rhetoric; U.S. aggression exists here; it exists just 20 blocks from here. It exists just 2 miles from here; it is in the sky. There is the presence of the [words indistinct] that break windows and lift the roofs off the peasants' homes, which is a flagrant and palpable aggression. It is not taking place in another hemisphere; it is taking place here. There is an armed U.S. presence near small towns, such as a fishermen's village in Veracruz; this is the absolute truth.

Let us hope they [the OAS delegation members] will have the chance to visit those places so that they can see for themselves. There was the experience in 1964. Twenty-three students were killed here; the OAS came and became known as the let us forget that issue [Olvidense ese asunto, OEA] organization. Even though on our side were all those dead students and even though we were the victims of aggression, Panama was condemned.

[Reporter] What levels has the economic aggression reached and what levels do you think it could reach? What are Panama's options with regard to the economic aggression?

[Noriega] Well, the economic aggression cannot be simply described and listed on a single page of paper because it is different in various government offices; therefore, it cannot be quantified.

[Reporter] Speaking of attitudes and dispositions, during an interview with you a year ago, you predicted what 31 December 1999 would be like. Now that we are in the eye of the hurricane, how do you foresee 31 December 1999?

[Noriega] We have a mathematical analysis of this. The closer we get to 31 December 1999, the greater the U.S. aggression will be because the United States refuses to leave this continent. The generations of 1998 and 1999 will have to read the history books and learn about the aggressions in 1989.

[Reporter] What are your feelings about the Defense Forces?

[Noriega] Well, my feelings about the Defense Forces are that they have a deep awareness. They have a mission. When you are convinced of your mission, there is nothing that will frighten you.

[Reporter] There are reports about plans to assassinate you. Do you think that if Noriega is missing, Panama will disappear?

[Noriega] It is a mistake to believe that a man can make history. It is history that makes a man. Therefore, it is inconceivable that the Panamanian cause can end. When Torrijos died, the Panamanian cause continued; when President Jose Antonio Remon Cantera died in 1955, the Panamanian cause continued; and when President Harmodio Arias, who criticized the treaties, died, the Panamanian cause continued. The Panamanian cause is the cause of a people, it is not the cause of a man.

[Reporter] In Latin America, a series of committees in support of Panama's sovereignty have been created. We have received many calls from parties and regional organizations showing their support. Do you have any message for Latin America?

[Noriega] Yes I do. I would like to appeal to the consciences of the free people of Latin America. We appeal to the consciences of those people. They should remember that today it is Panama because it has stood firm against the aggression against other fraternal countries. It is precisely because we stood firm against the empire and because we were not docile and obedient in helping invasions and aggressions against other countries that we are suffering this. However, the people have a great awareness. I repeat, this is the time for the free people of Latin America. We appeal to those consciences because we should all shout out loud. They may kill a man, they may kill 100 men, and they may kill 1,000 men, but they can never kill the consciences of a free people.

[Reporter] What [word indistinct] would the FDP accept in view of a possible [words indistinct]?

[Noriega] The solutions are political in nature. The FDP plays a catalytic role, however, the conflicts are political in nature and they are promoted by the U.S. Embassy in Panama.

[Reporter] General, I have one last question. Are you willing to defend and even die for your ideas?

[Noriega, laughing] Well, that is a fatalistic question. I am willing to defend my ideas and continue to live because I do not want to die. [laughs]

[Reporter] Any message for Cuba?

[Noriega] Well, the Cuban people have always been close to us, and we reiterate a statement made by Torrijos—at the OAS—who said that every minute of aggression against Cuba is a shame for Latin America. We reiterate this doctrine and this principle. Therefore, Torrijos' doctrine and the 11 October revolution are no different than the 1989 revolutionary process or political movement.

Appeals for Regional Solidarity

PA2305021189 Managua BARRICADA in Spanish 21 May 89 p 5

["Open letter to the Latin American peoples" from Manuel Antonio Noriega, commander in chief of the Panama Defense Forces; date and place not given]

[Text] To the fraternal countries in Central and South America and the Caribbean:

The historic struggle for our destiny, for karmic compensation [as published], and for divine justice that is being waged in Panama today is the same struggle that your nation could experience at any time.

I particularly inform El Salvador—which was the instigator of specific aggressions at the OAS—that I entrust God with judging my participation in the release of [Salvadoran] President Jose Napoleon Duarte's daughter and all of those who must recall from deep within their memories that they turned to Noriega to solve their problems resulting from violence.

I appeal to the consciences of the peoples of America—without requesting a direct response—appealing to them to remember that today it is Panama, but tomorrow it will be one of your generations. The final battle for Latin American dignity against imperialism is being waged here in Panama. Let it be known that Panama's problem results from its geographic position—even more than from its canal—because the Caribbean, Central America, and even the Southern Cone are strategically controlled from Panama. There is the experience of the Malvinas war—which the United States won by virtue of its military and electronic control center on Galeta Island—against the sovereign rights of the Argentines.

We demand today for everyone, absolutely everyone, expressions and positions of dignity, because today, and today only, is the moment of reckoning for the free peoples of America.

General Manuel A. Noriega, commander in chief of the Panama Defense Forces

Solis on OAS Resolution, Country's Future

PA2205191589 Panama City Domestic Service in Spanish 1730 GMT 22 May 89

[Report by Rigoberto Dumas Castillero—passages within quotation marks recorded]

[Text] Panamanian President Manuel Solis Palma has said the three OAS foreign ministers who will visit Panama must respect the Panamanian people's right to solve their own problems. He also addressed statements by Ecuadoran Foreign Minister Diego Cordovez.

[Solis] "I think it is very important to examine Cordovez' statements. He clearly said the OAS foreign ministers are not coming to meddle in our domestic affairs. Instead, they are coming to promote a rapprochement between the different groups making up Panama's political, social, and business world. Everything seems to indicate—and this was discussed in the closed OAS session—that we are going forward. We are not turning back."

Solis also discussed U.S. pressures on the OAS to distort the situation in Panama so that our country would be condemned by the OAS.

[Solis] "This is not just my opinion. You in the media are aware of this. You have been able to see that the United States has been exerting pressure and spreading disinformation for a long time. You know better than I do that the media itself is a victim of that pressure."

Furthermore, Solis said that if the government were to be ruled by the opposition, the new government and the media would not have any peace. He referred to the country's future in the following terms:

[Solis] "The only thing I can say is that the country's future does not depend on the government alone. It depends on us all. It depends on the media and on truthful and correct information, not on ill-intentioned information. Our country's future depends on many things. It belongs to us all. We cannot destroy the country... [corrects himself] We cannot build the country to benefit a single group. The country belongs to everyone.

"We should not build up our hopes. If the opposition were to rule the government, the new government will not have any peace. Furthermore, the media will not have the advantages it thinks it would have."

Communique on Impropriety of OAS Statements

PA2305030489 Madrid EFE in Spanish
0210 GMT 23 May 89

[Text] Panama City, 22 May (EFE)—The Panamanian Government today warned the OAS that it does not have the authority to become an "international tribunal" or "an international surveillance board." The warning—included in a lengthy statement signed by Manuel Solis Palma, minister in charge of the Presidency, and by the entire cabinet—was issued tonight, hours before the OAS delegation, which is charged with mediating the crisis, is scheduled to arrive.

The government approved this resolution after a cabinet meeting, which followed a meeting with Solis Palma, General Manuel Antonio Noriega [commander in chief of the Panama Defense Forces, FDP], and other top government officials and military men.

The communique accuses the United States of "crimes against humanity" and of "destabilization activities" aimed at overthrowing the government "and possibly eliminating its leaders." The government believes that the 17 May OAS resolution contains statements that are "not in keeping with the OAS Charter" and that are "incompatible" with the UN Charter. Among these statements, the government particularly notes "the ill-intentioned mention of FDP Commander Gen Manuel Antonio Noriega by name."

The OAS blamed Gen Noriega for the "grave situation and abuses" committed during the election process, which ended with the Electoral Tribunal's annulment of the 7 May elections 3 days after they were held.

The government states that it "welcomes" any OAS initiative that is carried out "within the strict purview (of that organization) and strictly in keeping with the UN Charter and international law." The communique issued by the cabinet warns that Panama "will never accept any act that constitutes interference in matters relating to national sovereignty."

Regime Considering Junta Headed by Endara

PA2205210189 Paris AFP in Spanish
2022 GMT 22 May 89

[Text] Panama City, 22 May (AFP)—It was learned from government sources today that the establishment of a government junta headed by opposition leader Guillermo Endara and the retirement of Panama Defense Forces [FDP] Commander Manuel Antonio Noriega within 2 years is the essence of a formula being considered by government officials to solve the Panamanian crisis.

The initiative, which officials are reportedly discussing with opposition leaders, involves the formation of a government junta led by Endara, the opposition presidential candidate in the annulled 7 May elections. The junta also would include a representative of the military and another civilian, possibly a "notable" figure respected by both sides. The junta would reportedly begin to rule on 1 September, when the term of the current administration headed by Manuel Solis Palma expires.

The opposition has reiterated, however, that it rejects any proposal that does not include recognition of its victory in the 7 May elections, which all evidence indicates was won by Endara.

The proposal, which has circulated unofficially in Panamanian political circles, reportedly includes the retirement of the controversial General Noriega in 1991, strict compliance with the Torrijos-Carter canal treaties, and a "written commitment" not to amend the FDP Law. It would also involve a commitment by the United States to lift the sanctions imposed on Panama since March 1988 and to "drop" the indictments against Noriega for drug trafficking in Tampa and Miami courts.

"This would be a way out after 1 September. If not, there will be civil war," a government spokesman told AFP. The same source acknowledged that some progovernment figures refuse to "negotiate" Noriega's exit, as well as to hold a dialogue with "the most radical groups" in the Christian Democratic Party, the country's largest party.

The formation of a government junta made up of a representative from the opposition, one from the government, and one from the FDP was suggested last week by progovernment legislator Rigoberto Paredes.

These proposals will also be explained to an OAS delegation that arrives in Panama tomorrow to seek ways of agreement to solve the Panamanian political crisis.

New Torrijist Group Vows To Regain Sovereignty

PA2205234589 Panama City Televisora Nacional in Spanish 2307 GMT 22 May 89

[Text] In view of the brutal U.S. aggression and the possibility of an armed intervention in Panama—which will be carried out to place a puppet, oligarchic, and docile government in power—a group of Panamanian patriots have decided to form the Torrijist Liberation Forces [Fuerzas Torrijistas de Liberacion]. The organization's first communique states that it will support and lead our people in their struggle to regain total sovereignty.

The communique stresses that over the past few years, our homeland has faced one of the most merciless aggressions ever carried out by U.S. imperialist forces. The U.S. aggression—disguised as the defense of civic objectives and a struggle for democracy, justice, and freedom—has clear and specific goals. The deployment of additional U.S. troops in Panama is a clear example of

imperialist arrogance. The United States, however, is mistaken if it believes that it will find a submissive and servile people here in Panama. Panamanians: Be prepared to defend the threatened homeland and to rescue Omar's [Torrijos] legacy. The communique recently issued by the Torrijist Liberation Forces calls for liberation or death.

Opposition Reportedly Attacks Radio Station

PA2305000189 Panama City Televisora Nacional in Spanish 2304 GMT 22 May 89

[Text] Radio Uno Soberana radio station and the Revolutionary Panamenist Party, PPR, offices were attacked by opposition members early yesterday.

PPR leaders said that party members and workers at Radio Uno Soberana, owned by PPR President Luis Gaspar Suarez, have received numerous threatening phone calls. They said this will be the first and last attack on the radio station and the party offices because from now on they will remain in a state of alert and are willing to sacrifice to defend the installations and princples of the PPR.

Treaty Affairs Director on Canal Operations

PA2205231289 Panama City LA REPUBLICA DOMINICAL in Spanish 21 May 89 p 8-A

[Text] Major Daniel Delgado Diamante, director of the Panama Treaty Affairs Executive Directorate [DEPAT], responded to statements made by Panama Canal Commission [PCC] Secretary Michael Rhode, Jr, describing them as biased and aimed at contributing to the disinformation campaign intended to lead the United States into taking coercive measures against Panama.

Rhode said: "We are beginning to worry about the stage after the year 2000 and the future viability of the Panama Canal if the Noriega regime continues to harass employees." He added that placing Panamanian tax withholdings in escrow has had "extremely negative" consequences for Panamanian employees.

Rhode said that the Panamanian employees' morale is low and that if this continues, "it will inevitably result in a significant deterioration in the safety and efficiency of the interoceanic canal."

Delgado responded that if the Panamanian employees' morale is low, it is the fault of the United States, which has made Panamanian employees feel like criminals in their own land by withholding their taxes and not remitting them to Panama's Treasury, thus preventing Panamanians from fulfilling their fiscal obligations.

The DEPAT director added that U.S. PCC administration officials have pressured Panamanian employees into participating in political events against the constitutional Panamanian Government under threat of dismissal. In his statements to the House Fisheries and Merchant Marine Committee, Rhode said that because of the Panamanian workers' situation, the safety and efficiency of the canal may be diminished.

Delgado called Rhode's assertion completely false, adding that the canal continues to operate with the utmost efficiency and safety for the ships that transit the canal. He insisted that statistics demonstrate how efficiently the Panamanian employees are doing their jobs at all times, despite U.S. pressures.

He reported that a delegation of Panamanian employees is currently in Washington, D.C., waging a legal battle to make the United States remit the taxes it is withholding, affirming that these funds belong to the employees and not to the U.S. Government. The Panamanian delegation is also making efforts to stop the United States from using the Panamanian employees for political purposes. Delgado emphasized that there is no persecution of any kind against Panamanian or U.S. PCC employees in Panama.

Furthermore, he emphasized that he has made efforts through DEPAT to ensure that the Canal administration respects the rights of these employees. In addition, and as a humanitarian gesture on the part of the Panamanian Government, they are being granted tax clearance certificates to travel outside the country for medical purposes, on official trips, or to attend training courses.

The Panamanian employees resent seeing U.S. employees spend millions of U.S. dollars from PCC funds to send relatives to the United States, alleging that their security is threatened, getting their paychecks in full, and receiving all sorts of privileges at the expense of economic benefits that rightfully belong to Panama, all of which signals a return to the "Gold Roll" and "Silver Roll" [historical reference to payroll system whereby U.S. PCC employees were paid in gold and Panamanian PCC employees in silver], so sadly remembered by Panamanians.

Panamanians are not receiving the benefits that were given so much fanfare in the media, such as transportation allowances and other benefits received by U.S. PCC employees, who also have commissary and post exchange purchase rights, which were again granted them in open violation of the treaties.

Panama hopes that Mr Robert Page—newly appointed U.S. member of the PCC Board of Directors, replacing William Gianelli, who is to blame for politicizing the PCC, which victimizes Panamanian employees—may see things from a more professional standpoint so that PCC Board of Directors meetings and Panama Canal activities may function better.

Delgado reiterated that Panama is maintaining its commitment to the world's merchant marine, established in the Torrijos-Carter Treaties, and that its commitment will continue after the year 2000, despite U.S. provocations made through its spokesman Michael Rhode.

In this respect, Panama is responsibly carrying out all of its duties established in the treaties, including providing public services for canal operations and housing, although the United States has failed to pay our government for these services, a payment that is stipulated in the treaties. Moreover, Delgado noted that contrary to what Mr Rhode said, the money frozen in the United States amounts to over $100 million, not just $32 million.

In his remarks, Delgado called on those who use the waterway to raise their voices and stop the United States from continuing its policy of aggression, since that would endanger the canal operations. If the canal operations are jeopardized, the United States would be solely to blame, Delgado said.

Sandinist Air Force To Help Salvage Aircraft

PA2305012789 Panama City Domestic Service in Spanish 2100 GMT 22 May 89

[Excerpts] A few minutes ago, Panamanian Lieutenant Colonel Pascual Gonzalez, director of the Civil Aeronautics Board of Panama, held a news conference at the Civil Aeronautics General Directorate headquarters. Lt Col Gonzalez met with local and foreign reporters accredited in Panama to provide them with details on the discovery made a few days ago of the wreckage of an aircraft in Bocas del Toro near the Costa Rican border.

Lt Col Gonzalez told reporters that a Panamanian Air Force patrol found the wreckage at precisely 10,000 feet above the base of Fabrega Hill in Bocas del Toro Province, near the Costa Rican border. The wreckage is presumably that of an Aeronica plane that disappeared near that area 1 year ago. Lt Col Gonzalez said that the wreckage could also be that of an Argentine plane that disappeared more than 20 years ago in that same area. [passage omitted]

Lt Col Gonzalez added that in view of the location of the wreckage—which is presumably that of either a Nicaraguan or an Argentine aircraft—and, in accordance with Panamanian sovereign civil aviation rights, Panama has requested the cooperation of the Sandinist Air Force to conduct a salvage operation within the next few hours. [passage omitted]

Lt Col Gonzalez said that two Sandinist helicopters will arrive soon in Panama with special equipment on board to salvage the pieces of the aircraft. The Sandinist helicopters will conduct a joint operation with the Panamanian Air Force, the Civil Aeronautics Board, and a Military Region 5 patrol. [passage omitted]

Argentina

Menem Meets Press, Views Transfer of Power

PY2205170489 Buenos Aires TELAM in Spanish 1512 GMT 22 May 89

[Text] Buenos Aires, 21 May (TELAM)—President-elect Carlos Menem has said that "apparently there is consensus" for an earlier transfer of power, although "there is no date." He said: "We do not have a firm date, and we will not have one until this scheme is well established. We do not want to assume responsibility unless it is shared by all sectors of the community."

In a statement at the Metropolitan Airport after denying the existence of a five-point document to be signed by the Justicialism and the UCR, Menem said: "We cannot just violate the Constitution. The issue of legality comes first, and the economic issue comes second."

Menem answered a journalist's question about the current situation with another question: "How long can Argentina endure this situation? I hope it will find a way out without much trouble. The legal date is 10 December, but if this date can be advanced, we are willing to assume the responsibility."

At one point Menem said that he has not yet read the declaration issued by President Alfonsin last night and, when asked for a message for the people, he said: "My message is the same as always: Let us remain calm and tranquil. My God, it is not just the Presidency, the government, the post, the CGT [General Workers Confederation], or the great business corporations at stake here. It is nothing less than the Argentine Republic at stake here, so I ask the people to remain calm and tranquil. Solutions will come."

Further on News Conference

PY2205212789 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1722 GMT 22 May 89

[Text] Buenos Aires, 20 May (NA)—President-elect Carlos Saul Menem today stated that "no support has been given" to the economic measures the government is preparing. He also said that "the national treasury has no funds," emphasizing that "we need funds to govern."

Menem made it clear that the government's economic measures would receive no future support, "especially since they are talking about new increases in utility rates, taxes, and all those measures we have always rejected."

As to the ways in which power could be turned over earlier, Menem said that "the Luder Law [not further explained] could be one possibility." He explained that "this is one of the methods we could use to shorten the transition period, but other possibilities exist which should not be ruled out."

Menem also said that 12 October would be "an ideal date" for the transfer of power, adding, however, that "as I have told you before, no dates have been set."

After a briefing with top Justicialist Party politicians, the governor of La Rioja Province emphasized his party's "concern over salaries and the provinces' financial straits."

During an impromptu news conference, held at the military base of the Metropolitan Airport upon his arrival from La Rioja Province to attend a governors' meeting scheduled for this afternoon in Buenos Aires, Menem said: "Shortening the current president's term in office must, above all, have a firm legal basis stemming from constitutional provisions."

Asked about the conditions he would set for an early inauguration, Menem said: "There must be a consensus about all this; the legal aspects must be resolved; and there must be a minimum of reserves (at the Central Bank) to deal with this situation."

"Apparently there is a consensus, but there must be a consensus and agreement to share responsibility," Menem said, thus outlining the conditions on which he would agree to an early inauguration.

Menem declined to cite a date for the transfer of power, because, he said, "we will not consider any date before this scheme is well organized," because "we do not want to assume responsibilities that will not be shared by all sectors."

Asked whether he would be willing to assume power without a majority in the Chamber of Deputies, bearing in mind the fact that the recomposition of the house may not be moved to an earlier date, Menem said: "This is another issue that must be subject to negotiation," adding that to govern without a majority in the house "would be senseless. This is why negotiations are being held."

Asked about reports of a possible meeting with Cordoba Governor Eduardo Angeloz, the president-elect said he is willing to hold such a meeting within the framework of the talks with "governors, politicians, technicians, and all those with whom it may be necessary to meet during this difficult, tremendous, and terminal [as received] crisis."

Menem denied the existence of a "five-point agreement" with the government, noting that the transfer of power has legal and economic implications, because "there can be no economic decisions without legal foundations."

Menem made these remarks after a meeting with Justicialist leaders, among them Eduardo Bauza, Eduardo Menem, Jose Luis Manzano, Julio Corzo, and Ruben Cardozo. The meeting was held at an office in the airport's military sector.

Addressing more than 100 local and foreign journalists, Menem stressed that "we are concerned—for that matter the entire country is concerned—about the economic crisis Argentina is facing. He added: "The transition period is too long, and we are considering the possibility of reducing it."

"We have said repeatedly that there will be no problem in arranging an early transfer of power, but we do want to set conditions for this transfer. We do not want to set a specific date; we would like all social sectors to agree on the matter," he added.

He stressed: "We are particularly concerned about the salary issue and the financial difficulties of the provinces."

"We have been talking about these issues, and we will continue to do so," he noted.

He also demanded "calm, serenity, and tranquillity" from the people, because, "for God's sake, it is neither the Presidency nor the elective posts which are now at stake; the Argentine Republic is now at stake, and that is why I ask the people to remain calm."

The La Rioja governor also stressed that "solutions will come, but we need time and an environment of harmony and tranquillity."

He recalled that "I have said repeatedly that if it is necessary to cut the transition period, we should not do so by simply setting a date, but by addressing the situation with all its implications, not as party leaders, but as Argentines."

Asked about a possible meeting with President Raul Alfonsin, Menem said: "There are possibilities, but no meeting has been scheduled."

He added that he was not "notified" of a possible meeting with the Armed Forces commanders, which had reportedly been arranged by Deputy Miguel Angel Toma.

Asked whether his brother Eduardo Menem could be the new Senate speaker, Menem smiled and replied: "Ask him...."

Asked about the availability of funds, he stressed: "There is no cash," adding that "we need cash to govern."

Menem Meets With UCD's Alvaro Alsogaray

PY2205184889 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1810 GMT 22 May 89

[Text] Buenos Aires, 22 May (NA)—President Carlos Menem [title as received] this afternoon held an unexpected meeting with Alvaro Alsogaray, top leader of the Democratic Centrist Union [UCD]. The two discussed the government's latest economic measures.

Upon leaving the building where the meeting was held at 1853 Posadas Street, Alsogaray said that Menem does not agree with the economic course set by the government.

The presidential candidate of the Centrist Alliance in the 14 May elections also said he would favor an early turnover of power provided an agreement is reached between the main political forces of the country.

Government Sets Deadline for Transfer Decision

PY2305033089 Buenos Aires Domestic Service in Spanish 0200 GMT 23 May 89

[Excerpt] The national government continues to analyze the alternatives for an early transfer of power. However, a high-ranking source has said that if no agreement is reached with the Justicialists within the next 24 hours, the Radical government is determined to observe the established deadline and continue governing until 10 December.

[Begin relay by unidentified reporter from Government House] Several meetings took place throughout the day at the presidential residence in Olivos. During the meetings President Raul Alfonsin talked with leaders of the Civic Radical Union [UCR], some Cabinet ministers, and members of the Justicialist Party, seeking measures for the presidential transition period. The government and the Justicialist Party, which won the 14 May presidential elections, have yet to reach an agreement regarding an early transfer of power. Upon leaving the presidential residence, Leopoldo Moreau [Chamber of Deputies president] said that an early transfer of power is one alternative, but not the only one. He added that some efforts made by the UCR were welcomed and that a consensus on the measures to help the lower income sectors is being sought. Moreau ended by stating that some points of agreement have been reached with the Justicialist Party as to how to tackle this transition period.

In the meantime, a high-ranking government source noted that a 24-hour deadline has been set, starting now, to conclude negotiations between the national government and the newly elected government regarding economic measures and the early transfer of power. If no agreement is reached, Alfonsin's government will continue to govern until 10 December.

The same source said that the Peronists and Radicals have reached an agreement regarding the technical mechanism for the early transfer of power. [passage omitted] [end relay]

Central Bank Orders Bank Holiday 23 May

PY2205222289 Buenos Aires TELAM in Spanish 2144 GMT 22 May 89

[Text] Buenos Aires, 22 May (TELAM)—Central Bank President Enrique Garcia Marquez officially announced today at 1835 that there will be a bank and money exchange holiday tomorrow. He noted, however, that banks will pay retirement pensions and salaries.

Garcia Vazquez made the announcement shortly before entering the office of Economy Minister Juan Carlos Pugliese, who is chairing a meeting of the economic team. Mario Vicens, Roberto Eilbaum and Pablo Gerchunoff, officials who recently tendered their resignations, are also attending this meeting.

Pugliese Says Economic Policy 'Out the Window'

PY2205141389 Buenos Aires TELAM in Spanish 1352 GMT 22 May 89

[Text] Buenos Aires, 22 May (TELAM)—Argentine Economy Minister Juan Carlos Pugliese today declared: "It is impossible to implement policies in Argentina that do not contain clear signals from the incoming administration indicating what the new administration will do."

Speaking to journalists accredited to the Economy Ministry, Pugliese said: "No one is interested, nor does anyone believe, in the measures that the current administration may take." He added: "Our policy went out the window, so it cannot even be defended."

He explained: "(The policy went out the window) not because it was bad but because it had been implemented in an atmosphere of uncertainty and lack of credibility, and there can be no free market without operators."

Promises Emergency Package

PY2205175889 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1112 GMT 22 May 89

[Excerpt] Buenos Aires, 22 May (NA)—Economy Minister Juan Carlos Pugliese has said that he might announce some time today a new emergency economic plan that has been coordinated with the Peronists and confirmed the resignation of second echelon officials at the Economy Ministry. These resignations had been requested by the Justicialists before they would agree to support the new measures.

The officials to whom the Peronists had objected and who have submitted their resignations are: Mario Vicens, economic coordination secretary; Pablo Gerchunoff, chief adviser; and Roberto Eilbaum, Central Bank vice president.

Pugliese said that the new emergency economic plan, which he expects to announce today, will establish a dual foreign exchange market, with official and financial dollar exchange rates; will include previously announced fiscal measures, with public utility rate readjustments; and will maintain the price policy under government administration. Pugliese emphasized that "this plan must be supported by all sectors in the country."

The head of the Economy Ministry revealed that the new emergency economic plan will institute 30-percent foreign currency withholding on agricultural and livestock product exports and 15-percent foreign currency withholding on industrial exports and suspend 50 percent of the subsidies currently granted to industrial exports. [passage omitted]

Arms Cache Discovered in Southern Corrientes

PY2205163889 Buenos Aires TELAM in Spanish 1415 GMT 20 May 89

[Text] Corrientes, 20 May (TELAM)—While conducting raids in Mercedes and Curuzu Cuatia, in southeastern Corrientes, the provincial police have discovered weapons, TNT, communications equipment, posters, and pamphlets proclaiming Aldo Rico.

According to the local police, this discovery was the result of investigations following a robbery at the local history museum in this city in early March.

Three individuals involved in the robbery were detained yesterday. The police then raided several houses in Mercedes and Curuzu Cuatia and discovered the arsenals. The identities of the detainees have not been released.

Personnel of the Investigations Brigade have raided several houses in Mercedes and Curuzu Cuatia. They found the following weapons: 1 Itaka shotgun and 70 12.70 gauge cartridges; a bayonet for an FAL rifle; TNT, detonators, safety fuses, quick-burning fuses, and explosive detonators; empty 9-mm cartridges; and an "MK 3" grenade, manufactured by military ordnance.

Raiding a house in the neighborhood of Jose Maria Gomez, in Curuzu Cuatia, the police also found books, posters, and picket signs proclaiming the Holy Week military uprising of 1987 and that of Monte Caseros in 1988, and especially the leader Lieutenant Colonel Aldo Rico.

The police also found "VHF" and BKU" communications equipment, telephone equipment, a calculator, and checkbooks from the Bank of the Nation and the Provincial bank of Corrientes. These checkbooks were stolen from a commercial enterprise in Mercedes.

Due to the secrecy of the investigations, the police declined to provide the names of the three arrested individuals, who were taken to the Central Police Department. However, the police did not discard the possibility that some of these detainees could have acted as paramilitary agents in the past.

As a consequence of the raids, the police recovered some of the historical pieces stolen from the museum, including General Madariaga's sword.

Rosario TV To Contribute to CNN Program

PY2305000589 Buenos Aires TELAM in Spanish 1125 GMT 22 May 89

[Text] Buenos Aires, 22 May (TELAM)—A provincial cable television channel is the first Argentine station to join an English-language news program, on the U.S. "CNN" network, on a regular basis;

The channel in question is Rosario's "Cable Hogar," which as of 21 May is participating in CNN's "World Report," with 3-minute spots to be aired at 1600 (2100 European time) on Sundays to some 100 countries.

The first Argentine spot deals with the Argentine presidential elections, with images showing Justicialist militants celebrating until dawn on 15 May, President-elect Carlos Menem speaking from the balcony of La Rioja's Government House, rival presidential hopeful Eduardo Angeloz accepting defeat, and a telephone conversation between the two.

Bolivia

Minister on Argentine Gas Sales, Bridge Loan

PY2005152089 La Paz La Red Panamericana in Spanish 1130 GMT 20 May 89

[Text] According to Information Minister Hermann Antelo, the lack of resoruces in the national treasury is causing problems, particularly regarding the implementation of development programs in some national sectors.

Antelo has reported that the government is greatly concernced because the Argentine Government has been unable to meet its commitments to Bolivia. He said Argentina owes Bolivia approximately $220 million in backpayments for gas sales since December 1988.

Antelo said: It is important for us to have this money available, otherwise we will be unable to meet national commitments. Antelo said the executive branch has to meet certain commitments it has contracted with [word indistinct] and public companies.

Antelo added that despite this situation, the government is acting responsibly by avoiding the issuance of money. He stated: This is what we want to avoid. This is why we are acting responsibly and conscientiously. Furthermore, he requested the people's understanding in view of the situation the country is going through.

Moreover, Antelo reported that the Bolivian Government is negotiating a bridge loan with international organizations. Although he declined to provide details in this regard, Antelo said: Negotiations in this regard are already under way.

Argentina Offers Barter Trade

PY2305030489 La Paz La Red Panamericana in Spanish 0000 GMT 23 May 89

[Text] The Argentine Republic has offered Bolivia a compensatory exchange of goods as payment for gas purchases. The formula is the only way Argentina can liquidate its debt with Bolivia because of the acute economic crisis this country is going through.

The Argentine Government has made the offer of barter trade official as an adequate way to prevent the debt from increasing.

Planning and Coordinating Minister Fernando Romero has returned to La Paz after meeting with Argentine authorities to express the Bolivian concern for the payment delays.

Romero then reported to President Paz Estenssoro on the result of the meeting. According to the minister, Argentina is going through a difficult economic and financial situation that makes the fulfilling of its commitments impossible. Romero said the government understands the situation because the crisis has affected the very foundation of Argentine stability.

Romero said that Argentina cannot make the payments because it lacks the resources to fulfill this kind of commitment. Bolivia could also serve as a bridge for the export of Argentine products to other countries.

Romero, however, thinks that the operation is not a good idea because it creates a number of difficulties that will directly affect the Bolivian economy.

Armed Forces Head Pledges Support for Democracy

PY2205160789 La Paz EL DIARIO in Spanish 11 May 89 p 1

[Text] The Bolivian democracy that emerges from the sovereign will of the people may count on the firm adhesion and participation of its main supporting pillar, the Armed Forces, which express their satisfaction with the correct attitude exhibited by the people this past Sunday.

That is the view of the armed institutions, as expressed yesterday by the Armed Forces Joint Staff Commander, Air Force Division General Osvaldo Arroyo Soria Galvarro, who was interviewed by EL DIARIO.

Gen Soria Galvarro said: "We will maintain absolute respect for democracy and for the country's Constitution, because we, the members of the Armed Forces, are like any other citizen of this country and our conduct is guided by such principle."

The high-ranking military officer contended that the armed institutions' mission is to enforce the country's security and defense, and that that fact is reasserted in view of the Bolivian people's respectful and orderly deportment in last Sunday's democratic event.

He was complimentary about the citizens who reported to the polls throughout the national territory, stressing that "our people have visibly matured in their democratic values and convictions, which were underscored with their exemplary behavior on election day."

He reasserted that the Bolivian people's duty is to safeguard the constitutional provisions and the national democratic prospects, "because that will undoubtedly be to everyone's benefit and Bolivia will thus be able to enter new stages of economic and social development."

Referring to the Armed Forces activities in general, Gen Soria Galvarro stated that the Army, Air Force, and Navy have efficiently and zealously carried out their professional activities during the 1st 4-month period of this year. In the second operational stage of 1989, both the institutes and special units of the Armed Forces will proceed with their activities, especially in field work, "which will be carried out with responsibility and tenacity," despite the insufficiency of means.

World Bank Grants Loans for Mining, Transport

PY2205142289 La Paz PRESENCIA in Spanish 13 May 89 p 1

[Text] The World Bank will grant Bolivia two loans, totaling $72 million, for a project to strengthen the mining sector and a project to improve roads along the so-called export corridors. This information was provided by Fernando Mendoza, the World Bank resident representative, who added that this financial assistance will allow the country to improve two basic activities; mining production and transport facilities.

The World Bank loans will be granted through the IDA [International Development Association] which lends to poor countries on concessional lending terms.

The IDA will lend $26.5 million in Special Drawing Rights (SDR), worth approximately $35 million, for the mining sector. This loan will help to nationalize the mining area to recover and the private mining area to grow stronger.

The overall project for institutionally strengthening the mining sector requires investments totaling $102 million, which will be financed by the World Bank, the IDB [Inter-American Development Bank], and friendly governments. Bolivia will match these borrowed funds.

The second loan of $28.3 million in SDR, some $37 million, will make it possible to improve transport facilities to the Pacific and Atlantic Oceans, the so-called export corridors. According to government officials, this project will help to promote exports and to lower external trade freight costs by upgrading these export corridors.

Brazil

Itamaraty Denies U.S. Pressure on Panama Stand

PY1905142689 Brasilia Radio Nacional da Amazonia Network in Spanish 1000 GMT 19 May 89

[Text] Brazil is certain that the delegation made up of the foreign ministers of Guatemala, Ecuador, and Trinidad and Tobago will be successful in its talks with the Panamanian Government to bring about a peaceful and democratic transition in that country. The Brazilian Foreign Ministry voiced this belief in Brasilia last night. Foreign Ministry spokesman Ruy Nogueira also denied that the United States has pressured the Brazilian Government to criticize the current Panamanian Administration.

[Begin Nogueira recording] The U.S. Embassy in Brasilia took the initiative of contacting the Brazilian Foreign Ministry to explain the U.S. Government's concern about the political situation in Panama. However, this concern [words indistinct] Brazil's position. On that occasion Brazil made it clear that it was attending the meeting in Washington with an open mind, prepared to evaluate every possible course of action. [end recording]

The Foreign Ministry indicated that the United States has not informed them who the new U.S. ambassador will be, although the current ambassador, Harry Shlaudemann, is due to leave Brazil shortly.

Expert Urges Expulsion of U.S. Missionaries

PY2005033989 Brasilia Domestic Service in Portuguese 2200 GMT 19 May 89

[Text] Sidney Possuelo, an expert on Indian customs, has rejected international charges and requested the expulsion of U.S. missionaries from the Amazon. The international community has been accusing Brazil of destroying the fauna and flora.

Possuelo, FUNAI [National Indian Foundation] coordinator for isolated Indian tribes, has just returned from northern Para, where he was in contact with members of the Tupi Indian tribe in the Cuminapanema area.

Although this is the first time FUNAI has gone to this area, the U.S. mission New Tribes of Brazil has been there for more than 6 years. [recorded passage indistinct]

Possuelo favors the expulsion of these missionaries from the area. He believes the presence of the New Tribes of Brazil is illegal, because FUNAI does not authorize missionaries in areas where isolated Indian tribes are settled.

Government Prepares Debt Reduction Proposal

PY2305012989 Brasilia Domestic Service in Portuguese 2200 GMT 22 May 89

[Text] Brazil is preparing a proposal designed to reduce its debt to creditor banks. According to Sergio Amaral, Finance Ministry foreign affairs secretary, the proposal will seek a reduction only in the 1989 debt, due to the change of government following the presidential elections.

Sergio Amaral did not disclose what percentage Brazil will propose be discounted but asserted that Brazil will use this tool this year. The next objective is to get the creditor banks to accept the reduction in the foreign debt.

[Begin Amaral recording] The idea is to encourage creditor banks to help reduce the debt and provide incentives to those who participate in this project. [end recording]

Amaral also disclosed today a document drawn up by the finance ministers of the Group of Eight who met in April in Brasilia. The document proposes a plan to reduce the foreign debt and is being sent to the creditor countries by Finance Minister Mailson da Nobrega. The other members of the Group of Eight are Mexico, Venezuela, Argentina, Uruguay, Colombia, and Peru [Panama has been temporarily excluded].

Civilians, Military Get 30-Percent Raise

PY2005031289 Brasilia Domestic Service in Portuguese 2200 GMT 19 May 89

[Text] All Federal Government civilian and military personnel will receive a 30-percent adjustment to their April salaries, effective 1 May. This announcement was made by Planning Minister Joao Batista de Abreu at Planalto Palace shortly after President Jose Sarney signed Provisional Measure No 56.

[Begin Abreu recording] The president has just signed a provisional measure granting a salary adjustment for public sector civilian and military personnel. The adjustment represents a 30-percent increase over the April salary. Another adjustment, which will reflect the consumer price index for May and June, will be granted in July.

A third adjustment will be granted in October reflecting the consumer price index for July, August, and September.

As of October, adjustments will be made every 3 months. [end recording]

Any adjustment granted as of February will be deducted from the adjustment granted through Provisional Measure No 56.

PRN Presidential Candidate Leads in Poll

PY2305024889 Rio de Janeiro O GLOBO in Portuguese 22 May 89 p 1

[Text] PRN [National Reconstruction Party] presidential candidate Fernando Collor de Mello can win the upcoming election, possibly receiving more votes than his main competitors Leonel Brizola (PDT) [Democratic Labor Party] and Luis Inacio Lula da Silva (PT) [Workers Party] combined.

According to a poll carried out by the IBOPE [Brazilian Public Opinion and Statistics Institute], the results, released on 21 May through the Fantastico program over the Rede Globo, showed that Collor de Mello's lead had jumped 12 percentage points since the last poll.

With the support of 32 percent of the voters, Collor de Mello is increasing the distance between him and the runner-up, former Governor Leonel Brizola, whose support dropped to only 15 percent.

The poll shows a clear drop in the popularity of the candidacy of Luis Inacio Lula da Silva since the end of March. He lost 3 percentage points, down to 11 percent. The poll revealed that voters are not enthusiastic about PMDB [Brazilian Democratic Mobilization Party] candidate Ulysses Guimaraes, who was backed by only 7 percent of those polled. Mario Covas and PDS [Social Democratic Party] candidate Paulo Maluf both received 5 percent.

Central Bank Approves Bridge Loan for Argentina

PY1905142889 Brasilia Radio Nacional da Amazonia Network in Spanish 1000 GMT 19 May 89

[Text] Brazil, Mexico, and Venezuela will grant Argentina a $150-million bridge loan to help that country pay part of the interest it owes to the IMF. Brazil and the other two countries will put up $50 million each. The Brazilian Central Bank has already approved the disbursement of these funds in foreign currency.

Chile

Consular-Level Relations Signed With Poland

PY2205135089 Santiago Domestic Service in Spanish 1030 GMT 22 May 89

[Text] Foreign Ministry spokesman Carlos Ducci has stated that the establishment of relations at a consular level with Poland is a first step toward a better economic relationship between the two countries. He added that Chile has good economic relations with other Eastern European countries.

[Begin Ducci recording] As I understand it, by next month we will establish relations with Poland at a consular level. This is first step toward better relations with that country. We hope this step will lead to better economic and trade relations.

Of course we have good economic relations with other eastern European countries. This can be easily verified. In Santiago you can see the large number of foreign vehicles, especially Soviet vehicles, which were imported directly.

As I said, this is the first step, and the Foreign Ministry is studying other similar possibilities. However, as the foreign minister has stated, we cannot give further details yet because we are still negotiating. [end recording]

Ducci added that there is interest in maintaining current relations with Yugoslavia and Romania.

Reportage on PRC Political, Trade Relations

Commercial Trade Agreement

PY1905192889 Santiago Television Nacional de Chile Network in Spanish 1800 GMT 19 May 89

[Summary] The Chilean Chamber of Commerce and the PRC today signed a commercial agreement aimed at increasing trade between the two countries. So far, this trade has been more favorable to Chile. In addition to increasing bilateral trade, the agreement will pave the way for joint ventures similar to the copper plant recently inaugurated in the PRC. Under this agreement, Chile is planning to import Chinese trolley cars to reduce pollution in Santiago.

Official Returns

PY2205142689 Santiago Domestic Service in Spanish 1030 GMT 22 May 89

[Text] Colonel Ramon Valdes, the Foreign Ministry under secretary, has returned to the country from an official visit to the PRC to tighten political and trade relations.

Valdes held several meetings with PRC officials and participated in the dedication of the first PRC-Chilean enterprise that will manufacture copper pipes. This enterprise involves PRC and Chilean capital.

Valdes will first brief the president on the results of his visit to the PRC and later this week he will grant a news conference to refer to this visit.

New Political Party Law Published, Promulgated

PY1905155889 Santiago Domestic Service in Spanish 1030 GMT 19 May 89

[Text] The new law that modifies the regulations affecting political parties, voting, and vote counting has been published by the official gazette. Consequently, the law has been promulgated. The constitutional tribunal on 12 March ruled that the new law abides by the Constitution. The law authorizes electoral pacts, establishes the districts for the election of deputies, and eliminates—for the first electoral contest—the regulations on residence conditions to run for Congress. The law also eliminates the regulations disqualifying some public servants, labor leaders, or neighborhood leaders who want to run for congress.

Deadline for Candidate Registration Postponed

PY2205151889 Santiago Domestic Service in Spanish 1030 GMT 22 May 89

[Excerpts] Interior Minister Carlos Caceres yesterday confirmed in Valparaiso that a bill postponing until 14 August 1989 the deadline for the registration of candidates for president of the Republic, and for congress members, has already been submitted to the Government Junta.

Caceres made this statement while talking to reporters at the end of the ceremony marking the 110th anniversary of the Iquique Naval battle. [passage omitted]

[Begin recording] [Caceres] In response to requests from different political sectors, the government has decided to submit to the Government Junta a draft bill that will postpone the deadline for the registration of candidates. The original deadline was 10 July, and it will now be postponed to 14 August. I repeat, the government has decided to adopt this measure in response to the request by several political sectors. The Junta will probably make a decision this week. [passage omitted] [end recording]

Finance Minister on Talks in U.S., Japan

PY1905144189 Santiago Domestic Service in Spanish 1030 GMT 19 May 89

[Text] Finance Minister Enrique Seguel has said that his mission in the United States and Japan was positive, adding that international financial markets and multilateral agencies have a positive attitude toward Chile. Seguel returned to Santiago after signing two credit contracts in the United States for $150 million for highway construction and industrial projects for the private sector. In Japan, Seguel held talks about financial issues with official and private banks.

The minister said that the Chilean economic performance has surpassed that of other countries because Chile has introduced structural changes through a professional central bank which has not demanded funds and through a competitive financial system. Chile has also attained a high level of development, Seguel added.

He added that the IMF mission that arrived in Chile will meet with Chilean officials to consider a possible extension of the extended facility program which Chile agreed upon with the IMF and which will expire in August 1989.

First Quarter Trade Surplus Reported

PY1905203989 Santiago Television Nacional de Chile Network in Spanish 1800 GMT 19 May 89

[Summary] Fernando Soro, director of the Institute for Export Promotion [Prochile] today reported that the foreign trade surplus for the 1st quarter of this year amounted to $634 million. He added that during this

period Chilean exports amounted to $2,122,000,000 and its imports totalled $1,488,000,000. Soro forecast that this year's sales abroad will surpass $7 billion.

Colombia

1988 Economic Behavior Figures Assessed

FL2205185389 Bogota EL TIEMPO in Spanish 15 May 89 p 6-B

[Text] With surprise and a certain degree of concern the country finally learned, 5 months later, the definitive results of the country's economic behavior during 1988.

The results caused surprise because the government, as well as specialized organizations such as FEDESARROLLO [Federation for Development], had raised high hopes among the public and in the productive sector itself.

Throughout the first part of this year the government's economic team, citing preliminary figures, provided data that indicated an economic growth of 4.2 percent. This figure was lower than the 4.5 percent that had been forecast for 1988.

But the final figure provided for the GNP during 1988 was lower than what even the most pessimistic forecasts had predicted: 3.7 percent. This figure was obtained after the CONPES [National Council for Economic and Social Policy] verified the statistical data.

The GNP grew 5.3 percent in 1987 and the economic outlook was as good, if not better, than the outlook at the close of 1986; so, what caused this decline in 1988?

According to the government, several situations affected the economy in 1988: a drop in oil income due to the terrorist attacks on the Cano Limon-Covenas oil pipeline ($286 million), a drop in coffee production, and the measures adopted to halt inflation.

There were other contributing factors, such as the heavy rains in the last quarter of the year, which affected the crops. And, in spite of the monetary control measures designed to reduce the cash in the public's hands and curb the demand, inflation rose to 28.12 percent, one of the highest figures in this decade.

The leading industrial groups had insisted that the economy was showing signs of "weakening" and that the results of the first quarter of 1989 showed the same negative trend observed at the close of 1988. The ANDI [National Association of Industrialists] even asked the government to release the definitive figures for the 1988 GNP so as to be able to work with real figures and make realistic projections.

One of the results of the drop in the growth of the GNP is, of course, that the creation of new jobs has been brought to a standstill. Even though the DANE [National Administrative Department of Statistics] has announced that unemployment dropped from 16.6 percent in the first quarter of 1988 to 10.9 percent in the first quarter of 1989, the truth is that in relation to the month of December unemployment has gone up. In December 1988 unemployment had dropped to 10.2 percent.

According to the DANE this comparison is unwarranted because December is not a typical month. In December the labor force swells with workers who will only be working for the duration of the season. For its part the FENALCO [National Federation of Businessmen] claims that not even one additional job has been created since June of last year.

Commenting on the controversy under way between the government and certain productive sectors regarding signs of a "weakening" of the economy, Finance Minister Luis Fernando Alarcon Mantilla said that there is no cause for concern and no need to modify the economic policies or forecasts for the current year.

However, industry spokesmen believe that it is necessary to make certain adjustments, such as: regulate the growth of interest rates, exercise greater control over government spending, and stimulate demand by making the monetary restrictions more flexible.

Industry spokesmen had the following to say regarding the country's economic performance so far this year:

FENALCO Chairman Sabas Pretel de la Vega said: There are at least six factors that show that there is a weakening of the productive sector. These include: a decline in retail sales, a slump in the construction sector, a growth of only 2 percent in the industrial sector, a halt in the creation of jobs, a growth of the fiscal deficit, a decline in private investment, and a drop in the consumption of energy. In addition, the rate of contraband has increased.

Pretel added: It would be advisable for the finance minister, who is a capable and intelligent man, to pay attention to the signs of weakening and to take the necessary corrective action. He should try not to make the same mistake as former minister Edgar Gutierrez Castro, who believed that he had found a panacea, and later the Betancur administration had to make a 180-degree turn.

In an editorial in the ANDI newsletter, ANDI Chairman Fabio Echeverri Correa said: The ANDI is concerned over the drop in productive activity since the last quarter of 1988. This situation has dragged on throughout the first quarter of 1989 according to a poll of the industrial sector, as well as reports from other sources.

A turnaround of the poor results observed to date hinges on the speed with which the government determines the factors that contributed to the drop in production and takes the steps to remedy the situation, Echeverri warned.

Meanwhile, Juan Alfredo Pinto Saavedra, chairman of the ACOPI [Colombian Association of Small Industrialists], said: I believe that the figures confirm the argument that the monetary contraction in place since August brought about a drop in demand and slowed down the economy. I can't see why it took the government so long to correct the growth rate figures. This only generates doubts in the people's minds.

Pinto continued: It is important for the government to show that it is willing to listen. Consequently, the finance minister should hold a meeting with the chairmen of the industrial associations and discuss the alternatives. We should not speak of a recession, but of a slowing down of the economy.

For his part Gabriel Jaime Giraldo, chairman of the CAMACOL [Colombian Chamber of Construction] said: During the first quarter of the current year the Colombian economy has continued to display the same destabilizing symptoms that kept its growth rate in check during the previous year. It is necessary to redouble the efforts to control the spiraling inflation.

Defense Minister on Border Plan With Venezuela
PA2205150589 Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 20 May 89

[Text] Returning from a 6-day visit to Venezuela, Defense Minister General Jaime Guerrero Paz announced the Colombian and Venezuelan Governments had agreed on joint plans to combat drug trafficking, subversion, and common crime. He added that the two countries' military forces established guidelines to inform each other about military operations carried out along their borders.

[Begin Guerrero recording] Our joint enemies are subversion, terrorism, drug trafficking, and organized crime. We have strengthened an agreement signed by former Defense Ministers Alcade and Gustavo Matamoros that was in effect when Venezuelan Defense Minister Italo del Valle Alliegro and I took office. We are going tackle head-on these threats to Colombia, Venezuela, and the entire world. [end recording]

The two countries' Armed Forces also agreed to begin an exchange training program for officers.

Police Arrest Alleged ELN Urban Cell Members
PA2205134589 Bogota Inravision Television Cadena 1 in Spanish 0100 GMT 22 May 89

[Report by Diana Maria Rios]

[Text] Colombian authorities today captured eight alleged members of an Army of National Liberation [ELN] urban cell in northeast Medellin, Antioquia Department. The detainees and the weapons and supplies that were confiscated will be turned over to a judge.

Those arrested were accused of belonging to an ELN urban cell and of being responsible for providing dynamite and weapons to terrorist groups operating in Medellin and elesewhere in Antioquia Department. According to the police, the eight men are directly linked to the shipments of explosives seized recently in Medellin, which helped lead authorities to the cell. A revolver, 6 kg of dynamite, and National Police shirts, pants, and boots were found during the raid. Officials say the dynamite was to be used for terrorist attacks, although the possibility that it might have been intended for use by drug traffickers was not ruled out. In addition, the police are charging the detainees with attacks on oil pipelines in this region.

Troops Pursuing Rebels; Oil Pipeline Attacked
PA2205172389 Bogota Emisoras Caracol Network in Spanish 1220 GMT 22 May 89

[Text] Troops of the Army's 2d Division and 5th Brigade are pursuing the guerrilla group that kidnapped four engineers in Northern Santander Department this weekend.

The kidnapping occurred early Saturday in the rural Chitaga area, where the engineers were working on power lines. Chitaga Mayor Ramon Vera Villavisar reported that the guerrillas and their hostages were intercepted by a police patrol as the rebels were heading for the hills. A prolonged battle followed, and policeman Victor Julio Villavisar was killed. The rebels managed to escape, taking their hostages with them.

Meanwhile, it was reported in Bogota that the Dina-Puerto Salgar oil pipeline, which was attacked by suspected terrorists this weekend, is operating normally. According to official sources, the dynamite attack on the pipeline occurred at km 47 between Yaco in Huila Department and Natagaima in Tolima Department. Some oil was spilled, but technicians and the Ecopetrol [Colombian Petroleum Enterprise] emergency team were able to stop the leak, preventing greater damage.

Medellin Cartel Leader Injured in Crash
PA2205131489 Bogota Emisoras Caracol Network in Spanish 1228 GMT 22 May 89

[Excerpts] State security organizations are attempting to verify a report that drug trafficker Pablo Escobar Gaviria was injured in a helicopter accident yesterday. According to reports, a helicopter carrying Escobar Gaviria, head of the organization known as the Medellin Cartel, and four other persons crashed near the Casanare River in the Nevada mountain chain in the eastern part of the country. [passage omitted]

News reports add that a ham radio operator yesterday supposedly heard the helicopter pilot report the accident and say that the passengers, including Pablo Escobar, had been injured. However, the extent of their injuries was not mentioned. [passage omitted]

Two Bombs Explode in Bogota, Property Damaged
PA2205234189 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 22 May 89

[Report by Carlos Mario Diaz]

[Excerpts] Two powerful bombs exploded last night at midnight in a downtown commercial and industrial area in Bogota. As a result of the explosion, 15 stores and 2 vehicles were destroyed. The two bombs, containing 20 kg of dynamite, went off in the Ricaurte neighborhood.

The explosions caused over 60 million pesos of damage. The bombs were placed at the entrance of the Dinamarca Paper Company warehouse.

No one was injured by the explosion. The bombs went off at approximately 2330. Many people, however, were very frightened by the explosion. The shockwaves damaged 15 stores. [passage omitted]

Unofficial reports and statements by area residents state that the explosion was a mistake and that the actual target of the attack was a laboratory that supplies La Rebaja drugstores.

Radio Reporter Kidnapped, Tortured, Killed
PA2205144889 Bogota Inravision Television Cadena 1 in Spanish 0100 GMT 22 May 89

[Text] Reporter Carlos Enrique Morales of the radio station La Voz del Pueblo, an affiliate of the Grupo Radial Colombiano, was found dead today in Cali, Valle del Cauca Department. Morales was kidnapped yesterday, and he apparently was tortured before being killed.

Ecuador

Diego Cordovez Views OAS Mission to Panama
PA2305002589 Quito Radio Quito in Spanish 2325 GMT 22 May 89

[Text] Ecuadoran Foreign Minister Diego Cordovez will leave for Panama tomorrow to begin a search for a solution to the Panamanian crisis, in accordance with an OAS resolution.

Diego Cordovez will head the delegation appointed by the OAS to analyze the Panamanian situation and seek a solution. The Ecuadoran foreign minister has described his mission as difficult. The members of the delegation will seek a rapprochement between General Manuel Antonio Noriega and the opposition.

[Begin recording] [Cordovez] The first thing the three foreign ministers who compose the OAS commission have to do is meet and plan our work. I believe the OAS secretary general will arrive in Panama this evening, and he will immediately establish contact with the Panamanian authorities. He has already contacted the authorities in Washington to set up a plan.

[Unidentified reporter] How do you view the Central American situation, especially the situation in Panama, Mr Minister?

[Cordovez] I believe Panama is going through a crisis. This is what all Latin Americans believe. We met in Washington to declare our solidarity with the Panamanian people. This is a Latin American formula to resolve the crisis. [end recording]

Paraguay

Foreign Minister Returns From OAS Meeting
PY2205145089 Asuncion EL DIARIO in Spanish 22 May 89 p 13

[Text] Foreign Minister Dr Luis Maria Argana yesterday returned from Washington where he participated in the OAS foreign ministers' meeting. He said that the Paraguayan delegation "which used to go to international meetings on the defensive and to fend off attacks, this time went with a definite position that to some extent set the course for important decisions made by the OAS."

The foreign minister revealed that the U.S. State Department thanked the Paraguayan delegation for its help in the fight against drug trafficking. He added that the Americans also admitted that the demand for drugs in their country is also an important factor in the illegal drug business.

Regarding the human rights issue, the foreign minister said that it is a "permanent and latent topic, particularly now that the first message by President Andres Rodriguez has been sent for congressional approval and ratification was the Human Rights Pact of San Jose of Costa Rica. A human rights commission will now be sent to verify on site the situation in Paraguay."

Dr Argana said that he talked with the OAS Human Rights Commission president, adding that "the commission president was very interested, but noted that, since there is no pending charge against Paraguay at this time, an immediate inspection visit is not necessary."

The members of the OAS Human Rights Commission "said that there is nothing to investigate at this time, particularly because the reports on Paraguay are quite favorable." Dr Argana told the press.

He emphasized the point that international relations have substantially improved. Minister Argana finally said: "Our country's image before all the nations of the Americas is now as good as can be expected."

Government Orders Utility Rate, Salary Hikes
PY1905234989 Asuncion ULTIMA HORA in Spanish 19 May 89 p 13

[Excerpt] In a meeting at the Lopez Palace chaired by General Andres Rodriguez, the Council of Ministers this morning decided to increase all utility rates by 25 percent (telephone, electricity, and water); wages and salaries by 15 percent; fuels and oil by-products, including liquid gas, by 15 percent; bus fares from 120 guaranies to 150 guaranies, as we announced yesterday; and fuel alcohol by 20 percent.

All these increases will go into effect on 1 June with the exception of those affecting fuels, which will go into effect immediately. [passage omitted]

Colorado Party Bloc Leader Elected
PY2005181689 Asuncion EL DIARIO in Spanish 19 May 89 p 2

[Excerpts] Angel Roberto Seifart yesterday was appointed leader of the Colorado Party bloc in the Chamber of Deputies. Seifart stated that in addition to it being a great honor, the job of speaker, coordinator, and public relations man for the bloc is a great responsibility. [passage omitted]

Seifart explained that he was elected unanimously, but acknowledged that earlier the bloc held primary elections with the participation of the majority of the bloc members. At that primary he, Seifart, competed against Julio Cesar Frutos and won. [passage omitted]

Peru

New Finance, Economy Under Secretaries Named
PY1905185089 Lima Domestic Service in Spanish 1030 GMT 19 May 89

[Text] Economist Arturo Alva Bravo and Engineer Jorge Luis Garcia Paso have been named vice ministers of the Finance and Economy Ministry, respectively.

The appointments were announced in two separate decrees published in the official newspaper.

Three Arrested While Distributing Leaflets
PY2205143889 Lima Domestic Service in Spanish 1040 GMT 22 May 89

[Communique issued by the Social Communications Office of the Interior Ministry in Lima on 21 May 1989]

[Text] 1. During a police operation in the town of Yurimaguas, Loreto Department, the national police detained three individuals, identified as Ney Dia Braga, 24; Alvaro Pena Saldana, 20; and Benedicto Pena Saldana. They were caught distributing leaflets of the so-called Rodrigo Franco Commando.

2. The detainees have been placed at the disposal of the appropriate prosecutor and judge, who will conduct an investigation.

In conclusion, the Interior Ministry has ordered the national police to conduct thorough an investigation into the case.

Lima, 21 May 1989

Social Communications Office of the Interior Ministry

Uruguay

Foreign Minister Explains OAS Vote on Panama
PY2005012189 Montevideo Radio Carve Network in Spanish 0000 GMT 20 May 89

[Text] Foreign Minister Luis Barrios Tassano has returned to Montevideo after participating in the OAS meeting to analyze the Panamanian crisis.

In an interview with the media at Carrasco Airport, Minister Barrios said:

[Begin recording] [Barrios] The first step is the mission that the Latin American countries—including Panama—have unanimously decided to send to Panama to try to get the Panamanian opposition and government to reach an agreement. As you all know, the democratic process has been seriously disrupted and the vote return noticeably altered, prompting the annulment of the elections. This not only endangers Panama's redemocratization, but threatens a possible wave of violence unleashed by one party or the other that could lead to a very serious situation, which is what we are trying to prevent by unanimous consensus of all the OAS member countries, even Panama and Nicaragua.

[Reporter] Rumors were circulating that Uruguay had opposed this proposal...

[Barrios interrupts] No.

[Reporter continues] ... that Uruguay had voted against the proposal.

[Barrios] We were the first to propose the resolution, together with other Latin American countries, and we voted in favor of it. The confusion did not lie in whether we voted for or against the resolution. We were one of the first to propose it, so it would be silly to propose something and then vote against it. The confusion was regarding the amendment of the first point of the resolution in which General Noriega's name is mentioned, and it was interpreted that Uruguay had refrained from

supporting the amendment. But I think there was confusion about the name of the country. We voted in favor of General Noriega's name appearing in this point. [end recording]

Economy Minister Returns From U.S. Visit

PY1905040289 Montevideo Radio Carve Network in Spanish 0000 GMT 19 May 89

[Text] Economy and Finance Minister Ricardo Zerbino, who returned from the United States this afternoon, said there is an international consensus regarding the need to reduce the foreign debt. Zerbino said that by doing this the indebted countries would become more attractive to investors.

After a meeting with bankers, economists, and authorities of the international financial sector, during which they discussed the implementation of the Brady Plan, Zerbino said:

[Begin recording] The level of the participants made it a very interesting meeting. We shared many points of view regarding the modus operandi and what some of the current obstacles are. There were obviously some points of disagreement between the bankers and those of us who represent the developing countries. However, there was a consensus on the need to do something to reduce the developing countries' foreign debt and find a solution to the problem. This is also necessary to allow a greater growth of the economies and make them more attractive to investors. The size of the debt is frightening and makes our countries liable to huge imbalances due to its magnitude. [passage indistinct] [end recording]

Guyana

Debt to Multilateral Facilty Rescheduled

FL1905144489 Bridgetown CANA in English 2342 GMT 18 May 89

[Text] Bridgetown, Barbados, May 18, CANA—Guyana's US55 million dollar debt to the collapsed Caribbean Community (CARICOM) Multilateral Clearing Facility [CMCF], a foreign currency clearing house for regional trade, has been rescheduled as one condition for the country to qualify for an International Monetary Fund loan, Barbados Central Bank Governor Dr Kurleigh King said Thursday.

King says under the arrangement worked out, Barbados, which is owed most of the money by the CMCF, will begin getting five per cent interest payment or about U.S.5 million dollars twice yearly beginning about a year from now. The debt which goes back to 1983 will be rescheduled for 20 years with a 10 year grace period.

"We are satisfied with the arrangement," King told journalists at his quarterly briefing on the Barbados economy. There has been much talk here as to whether Barbados would ever recover its money because of the state of the Guyana economy. According to King, the repayment scheme is seen as Barbados helping a sister Caribbean Community country to revive its economy. Not only that, he said, but a recovered Guyana economy would also be of benefit to Barbados in terms of trade.

Agreement Reached To End Bauxite Strike

FL2205171589 Bridgetown CANA in English 2025 GMT 19 May 89

[Text] Georgetown, Guyana, May 18, CANA—An agreement to end the nearly seven week old strike among the 5,000 workers in Guyana's vital bauxite industry was signed Thursday night by the Guyana Bauxite Supervisors Union and the state Guyana Mining Enterprises Limted (Guymine). According to state radio, the Guyana Broadcasting Corporation, the agreement paves the way for full resumption of work within 72 hours. The report quoted Guymine's communications department as saying that the agreement provides for the two parties to meet within the next seven days further discuss a number of matters outlined in the agreement.

Bauxite and sugar workers went on strike early April demanding concessions from the government after big price hikes, a 70 per cent devaluation of the Guyana dollar and what they considered a meagre 20 per cent pay increase were announced in the 1989-90 national budget. About 30 per cent of the workers had been back on the job after a trickle back to work after the strike began.

The loss to the economy by the bauxite and sugar workers strike was officially estimated at about U.S.1 million dollars a day. The Guyana Sugar Corporation reached an agreement with trade union leaders last weekend to end the sugar workers strike.

Sugar Strike Causes Heavy Financial Losses

FL2205235789 Bridgetown CANA in English 2050 GMT 22 May 89

[Text] Bridgetown, Barbados, May 22, CANA—Guyana lost some G541 million dollars (one Guy dollar; 3 U.S. cents) from the recently-ended five-and-a-half weeks sugar workers strike, the president of the Guyana Sugar Corporation (Guysuco), Harold Davis, said here Monday. And Davis said the revised production target of 75,000 tonnes of sugar down from 93,000 tonnes for the current crop might not be met because of poor turn out on two estates and the weather since the resumption of work a week ago.

"As of today, we might have made something of the order of 2,000 odd tonnes of sugar (since the resumption) which is approximately 50 per cent of what we would have normally been producing," he said.

"The problem is that we have lost five and a half weeks of prime production time," he told CANA. He said the sucrose content was good, but now that the rains have begun "we are not so sure now that we will make the

revised target..." However, he said, he does not want to rule out the possibility of meeting the goal because "we think our people want to work, the managers are fired up and therefore we'll stick to our 75,000 tonnes objective."

The strike in Guyana's sugar belt was called primarily to protest against the government's 1989 budget, which launched an austere economic recovery programme that included a 70 per cent currency devaluation, a round of price increases and a 20 per cent pay increase which the trade unions rejected as inadequate.

URP Accused of Padding Membership

FL1905143989 Bridgetown CANA in English 2130 GMT 18 May 89

[Text] Georgetown, Guyana, May 18, CANA—Two politicians have pulled out of a conservative party launched here two years ago, accusing it of padding its membership list. Rupert Christiani Persaud, 40, and Mervyn George, 35, both of the Essequibo Coast, said they quit the United Republican Party (URP) at the end of April after becoming concerned about the membership list.

The party is headed by Guyanese Robert Gangadin who, together with several other executive members, resides in the United States.

The two told a press conference here Wednesday that contrary to claims by the URP leadership, the membership of the URP was negligible and the party had embarked on a fraudulent programme trying to enlist members. They claimed that people who did not belong to the party, but had been approached to join, were often listed as members. They said receipts in their names would be written up and the completed receipt books forwarded to URP headquarters in Georgetown and the headquarters, in turn, would prepare and send membership cards back to the area.

Persaud said that the party was the recipient of substantial funding from organisations within the United States and that in order to guarantee the flow of these funds, the URP had to convince the overseas funders about its membership strength.

While George indicated that he will return to the ruling Peoples National Congress, Persaud said he was not "contemplating any political life at the moment."

The URP has not publicly commented on the former members charges.

Suriname

Importance of Solving Panama Crisis Viewed

FL2205220889 Paramaribo International Service in English 1730 GMT 22 May 89

[Text] According to Suriname, condemnation of General Noriega of Panama at this stage could only make the work of the Organization of American States commission more difficult. It is more important to find a solution than naming the cause of the crisis because of the task given to the commission which was installed by the OAS last week. For these reasons, Suriname has during the OAS meeting on the situation in Panama abstained from voting on an amendment in the original resolution. Because of a proposal by the United States of America, the Panamanian leader must, according to the motion, be named as the cause of the current crisis in Panama. The Information Service of the Ministry of Foreign Affairs says that the resolution, which was finally passed, was fully suported by Suriname.

Netherlands Trying To 'Violate' Treaty

FL2205183689 Paramaribo International Service in English 1730 GMT 22 May 89

[Text] Vice President Henck Arron is willing to hold political discussions with Holland on the development relations. He said this last week Friday in the National Assembly.

Arron said that Suriname has the political will to talk with Holland about the development relations. He was responding to questions by assembly members who had last week Tuesday in the National Assembly asked questions about political discussions with Holland at the ministerial level.

The vice president is of the opinion that Holland wants to violate the development cooperation treaty of 1975 by proposing new procedure rules. He has emphasized that Suriname will not cooperate even in changing a comma in the agreement.

Economic Agreement With Netherlands Antilles

FL1905183589 Paramaribo International Service in English 1730 GMT 19 May 89

[Text] Suriname and the Dutch Antilles have signed an agreement regarding the economic relation between the two countries. The agreement was signed as a result of talks held between the Antillean minister of Trade, Industry, and Labor, Cornelius Smits, and his Surinamese counterpart Minister Grep.

The agreement is aimed at bringing the economic relations between the two countries at par within 6 months. Further, a joint commission for economic cooperation will be installed in June. Also, a study will be made for the possibility for a smooth flow of trade for Surinamese products. The exchange of trade missions has been also been included in the agreement. Further, an agreement has been made about the $1.5 million debt which Suriname owes to the Antillean Airlines.

National Assembly Expresses Government Support

FL2205181989 Paramaribo International Service in English 1730 GMT 22 May 89

[Text] The National Assembly has last week Friday unanimously accepted the motion of support to the

government. In the motion, which was signed by members of both the coalition and the opposition, the assembly members expressed their satisfaction in the manner in which the government has answered the questions asked during the debate.

The motion showed [word indistinct] faith that the National Assembly fully supports the position of the government in relation to these questions. The questions were, among others, about the development relation with Holland, the terrorism, and the black market in foreign currency. A debate on the general political situation in Suriname was closed last Friday after the government had answered questions by the assembly members.

Shankar Says Government's Policy Progressed

FL2205192589 Paramaribo International Service in English 1730 GMT 22 May 89

[Text] President Ramsewak Shankar has said that the government, despite the many setbacks, has made progress during the execution of the government policy. According to him, the government, however, does not have an easy task because of the serious impoverishment facing the country.

During the continuation of the debate on the general political situation last Friday [19 May], the president had addressed the National Assembly. President Shankar stated that the assembly has through these debates given a critical support to the policy of the government. The president pointed out that Suriname is facing a crisis situation. He is however of the the opinion that the people must not loose faith in their own skills and in the future of the country. The president has said that the government must be given space to rule and called for support for the government policy.

Arron on Trying To Prevent Crisis

FL2205200789 Paramaribo International Service in English 1730 GMT 22 May 89

[Text] Vice President Henck Arron has said that the government's policy is aimed mainly at preventing the situation in the country from worsening. According to Arron, the government is doing everything in its power to defeat a crisis situation.

The vice president addressed the National Assembly last Friday [19 May] during the continuation of the debate on the general political situation. Through elaborate figures, the vice president had in his speech given a view of the worsening financial economic position of Suriname. Arron has also announced measures by the government for the improvement of the situation. In relation to this, he has named, among others, the systematic breaking down and final abolition of the so-called EA [expansion provided] trade, controlling the black market trade in foreign currency, and the absorbing of the overly [word indistinct] by the government.

The vice president has furthermore pointed out that it is impossible to solve the problems without sacrifices and working positively.

Shankar Views Army's Role, Drug Problem

FL2205203289 Paramaribo International Service in English 1730 GMT 22 May 89

[Text] During the continuation of the public meeting of the National Assembly last Friday [19 May], President Ramsewak Shankar answered questions by assembly members to the government. The questions were in relation to the position of the National Army, the drug problem, the war conflict in the interior, and the reports by the audit department.

According to the president, there must be no doubt about the place and task of the National Army because those are clearly stated in the constitution. The president further pointed out that the government does everything in its power to stop the drug problem and the war conflict in the interior. He called on the National Assembly to discuss the amnesty law within a short time. The president finally announced that the government will further discuss the report by the audit department during the public discussion on the report in the National Assembly.

Government Wanted 'Removed' If Problems Unsolved

FL1905200489 Paramaribo International Service in English 1730 GMT 19 May 89

[Text] The political party HPP [Reformed Progressive Party] is of the opinion that the government must be removed if it is unable to solve the country's problems. This was stated in a press release of the party which had formed part of the government coalition in late 1970s.

According to the HPP, the government and the National Assembly ignore the interests of the people. The HPP demands clarity in the government's policy and protection of the peoples' interest. The party said that the government must take concrete measures in order to bring peace and stability in the Suriname society.

Trade Unions Request Meeting With Front Leaders

FL2205191089 Paramaribo International Service in English 1730 GMT 22 May 89

[Text] The chairmen of the trade union federations, the CLO [Central Organization for Civil Service Employees], De Moederbond, the PWO [Progressive Workers' Organization], and the C-47 [Centrale 47] have requested a discussion with the three Front [for Democracy and Development] leaders on Wednesday [24 May] coming. The trade union leaders want to talk about the current political situation.

During an evaluation meeting last Friday, CLO Chairman Hendrik Sylvester stated that the successful 1-day strike on May 5th last has proven that the government

can no longer count on the support of 95 percent of the people. The debates in the National Assembly have proven that the peoples' representatives have lost contact with the people. Moederbond's chairman, Van Russel, said that the trade union federation places the interest of the workers in the first place, despite the political cooperation with the government's partner, the NPS [Suriname National Party]. He pointed out that the strike on May 5th was not meant to overthrow the government. But that will surely happen if the government does not want to listen, said Sylvester.

Trade Unions Threaten More Mass Strikes

PM2305102089 Amsterdam DE VOLKSKRANT in Dutch 18 May 89 p 6

[Unnamed "own correspondents" report: "Surinamese Trade Union Movement Threatens Mass Strikes"]

[Text] The Hague/Paramaribo—The four trade union federations in Suriname will join forces Friday [19 May] for an intensified confrontation with the government and the National Assembly if the Arron government, in imitation of the National Assembly, does not respond in earnest to the massive 5 May protest action against the alarming situation in the country.

The demonstration was chiefly directed against the imbalance of power between the politicians and the military, against corruption, and against the continued absence of a peace settlement for eastern Suriname. But in the National Assembly this week the trade unions heard only reproaches. This has irritated the trade unions—C-47, the Moederbond, the PWO, and the CLO [expansions unknown].

C-47 General Secretary Menckeberg: "We want to urge the government on to greater dynamism to combat the gigantic social and economic problems. In this the trade union movement is not the ally of politicians, as some people seem to think, but more the defender of the people's interests."

He pointed to the almost hopeless situation of the average Surinamer. "The people are increasingly irritated by the way in which Surinamers are growing rich at the expense of their fellow countrymen. Those becoming rich are chiefly people with family or other relations in the Netherlands. These send goods to Suriname. Here these goods are put onto the black market at extortionate prices. And that, while people suffer hunger.

"On the whole, anger with the Netherlands is growing, because it is stubbornly refusing to honor its commitments to Suriname in the field of development aid. However, the Netherlands does continue to support Brunswijk's terrorist band. The protest of the people and the trade union movement is directed against such evils and against the unequal division of power between government and military," Menckeberg said.

After calls from the trade union movement the Surinamese people demonstrated by staying home 5 May. "Not a single store was open, bus traffic and ferry services were at a standstill. In short, there was no activity at all. The trade union movement is busy determining its future strategy. If in the Assembly too the government refuses to commit itself to a credible and much-needed rescue operation, the cadre members of the four trade union federations will meet to discuss new models for action Friday," the C-47 general secretary said.

Nor does the trade union movement have a good word to say about Brunswijk's Jungle Commando, which this week, for the first time in a long time, carried out an attack on a strategically important location in eastern Suriname. First, seven commandos seized from a woman a truck laden with goods which she was driving to Moengo. Later, in the neighborhood of Moengo, the rebels blew up a bridge on the main road connecting Paramaribo with Albina, a town on the River Marowijne on the border with French Guiana. A truck carrying soldiers of the National Army was involved in the incident. Two soldiers have been declared missing. According to land forces commander Sital it is possible that "Brunswijk's terrorists have taken them hostage."

There is a risk the Brunswijk could find himself with problems because neighboring French Guiana has stepped up its border surveillance. France wants eventually to rid itself of the border problems: The Brunswijk rebels receive illegal supplies from French Guiana, and Surinamers are still fleeing across the Marowijne River to French territory.

UNESCO Sponsors Production Lecture

FL1905192589 Paramaribo International Service in English 1730 GMT 19 May 89

[Text] The director of the state oil company, Eddie Jharap, has said that Surinamese have no other choice than to believe in their own skills. Jharap last night delivered a lecture in which he cited the state oil company as an example to show that national production companies can operate efficiently. The theme of the lecture was: State Oil: A Case Study in the Production Development in Suriname. The lecture was organized by the national UNESCO commission.

According to Jharap, extent of knowledge, commitment, and motivation are important factors for an efficient company policy in a developing Suriname. The director of the state oil company said that these factors form the basis of the success of the state oil company. Jharap conceded that this can be the case of other production companies in Suriname. We must not constantly take a negative attitude of our own capabilities, said state oil director Eddie Jharap.

State Plans for Oil Refinery Under Way

FL1905194889 Paramaribo International Service in English 1730 GMT 19 May 89

[Text] The state has plans to build its own oil refinery. Director Jharap said that the plan is now in the making. If all goes well, the oil refinery will be put into operation in 1992.

Jharap declared that the refinery will produce 2 million barrels of oil a year and will expand in the refining of diesel oil, LPG [liquefied petroleum gas] gas, asphalt, and fuel oil. According to him, this production will satisfy the local demand for this product. This will mean that Suriname will be able to save some $90 million in foreign exchange, said Jharap.

The state oil company of Suriname, started in 1981, with explorations in the Saramacca area, has since then grown into a profitable production company. In the past 5 years, the company has produced 3 million barrels with a value of about $100 million guilders. The foregoing was disclosed by the state oil company director, Eddie Jharap, during a lecture organized by the national UNESCO commission.

Ship Not Allowed To Sail Until Debtors Paid

FL1905202689 Paramaribo International Service in English 1730 GMT 19 May 89

[Text] Economic Affairs Minister Wilfred Grep has prohibited the motor ship "Saramacca" from going out to sea. By taking this action, the minister wants to prevent the ship from being impounded by debtors in Europe. Recently the ship was detained in the Rotterdam Port because the Suriname shipping company couldn't pay its debtors. The information department of the Ministry of Economic Affairs said that the ship was held for 1 month in port and the state had to pay $640,000 for its release.

Minister Grep would like to know who are the debtors and the amount of money due to them. He said that as soon as the board of directors of the Suriname shipping company can guarantee the safety of the ship, the prohibition order will be withdrawn.

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